



MSRD - Processing of Information Statement (Form 20-IS) for Publicly Listed Companies (PLC) and Registered Issuers of Securities



#SEC-121445

Basic Ticket Information

Ticket Status: Open
Department: MSRD - SRD
Create Date: 6/10/26 1:01 PM

User Information

Name: Arsenio Alfiler
Email: forumpacific.asm@gmail.com
Phone:

Processing of Information Statement (Form 20-IS) for Publicly Listed Companies (PLC) and Registered Issuers of Securities

Company Name : Forum Pacific, Inc.
SEC Registration No.: AS93000120

Details of Request :

Submission of Preliminary Information Statement (PIS) and other documents for review by MRSD Analyst in connection with the company's Annual Stockholders' Meeting on July 20, 2026, Monday at 11:00 AM via remote communication. Publication of Notice of Meeting both in print and online in newspaper of general circulation for 2 consecutive days which will be on June 24-25, 2026. The Affidavit of Publication will be duly submitted after the publication dates. In lieu, we hereby submit the contracts with our publishers.

Region: NATIONAL CAPITAL REGION (NCR)
Province: METRO MANILA
City/Municipality: CITY OF PASIG
What is your official email address as required under MC 28? : forumpacific.asm@gmail.com

SEC Form 20-IS and Annexes: FPI Preliminary 20-IS_10June2026.pdf
 FPI_SEC Form 17-C - Notice of ASM_10Jun2026.pdf
 Letter to SEC - Permission to Distribute DIS via Website & PSE

Certification

I, Annabelle T. Abunda, Compliance Officer of Forum Pacific, Inc., with SEC registration number AS93000120 with principal office at 35th Flr. One Corporate Center, Doña Julia Vargas, cor. Meralco Ave., Ortigas Center, Pasig City, on oath state:

- 1) That on behalf of Forum Pacific, Inc., I have caused this Preliminary Information Statement (PIS) SEC Form IS-20 to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the company, Forum Pacific, Inc., will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereto set my hands this JUN 10 2026 day of _____, 2026.



Annabelle T. Abunda
Affiant
TIN: 205-231-659

SUBSCRIBED AND SWORN to before me this JUN 10 2026 day of _____, 2026.

NOTARY PUBLIC



ATTY. BRYN G. PERAS
NOTARY PUBLIC FOR QUEZON CITY
ADM. MATTER NO. NP-171 VALID UNTIL DEC. 31, 2026
ROLL OF ATTORNEY NO. 6393/TIN 289-467 753
IBP NO. 576803 DECEMBER 30, 2025, QUEZON CITY
MCLE NO. VII-091 3054. VALID UNTIL 14/APR/2028
PTR NO. 100 3901 JANUARY 5, 2026, MARIKINA CITY
803 B256 FINANCE & FINANCE, CUBAO, Q.C.

DOC NO. 448
PAGE No. 92
BOOK No. XIII
SERIES OF 2026

COVER SHEET

A S 9 3 0 0 0 1 2 0

SEC Registration No.

F O R U M P A C I F I C , I N C .

(Company's Full Name)

3 5 T H F L R. O N E C O R P O R A T E C E N T R E ,

3

D O Ñ A J U L I A V A R G A S C O R. M E R A L C O

A V E. O R T I G A S C E N T E R, P A S I G C I T Y

(Business Address : No. Street City / Town / Province)

Amando J. Ponsaran, Jr.

Contact Person

(632) 8706-7888

Contact Tel No./Fax No.

1 2 3 1

Fiscal Year

2 0 - I S
P R E L I M I N A R Y

FORM TYPE

3rd Monday of July

Month Day
Annual Meeting

Secondary License Type, If Applicable

M S R D

Dept. Requiring this Doc.

Amended Articles Number/Section

854

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



TABLE OF CONTENTS

	Page
Notice to Stockholders	4
Proxy Form	5
Information Statement	6-24
Certificates of Independent Director and Corporate Secretary	25-32
Management Report	33-69
Directors and Executive Officers	70-74
(Education and Business Experience)	
Audited Financial Statements, Independent Auditor's Report and Audit Report on Additional Components of the Financial Statements for the year 2025	75-143
• Statement of Management's Responsibility for Financial Statements	
• Independent Auditor's Report	
• Statements of Financial Position	
• Statements of Comprehensive Income	
• Statements of Changes in Equity	
• Statements of Cash Flows	
• Notes to Company Financial Statements	
• Audit Report of Additional Components of the Financial Statements	
• Appendices and Supplementary Schedules	
Unaudited Financial Statements for the Quarter Ended March 31, 2026 and 2025	144-192
• Statements of Financial Position	
• Statements of Comprehensive Income	
• Statements of Changes in Equity	
• Statements of Cash Flows	
• Notes to Company Financial Statements	
• Appendix	



NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Dear Stockholder:

Please be advised that the annual meeting of the stockholders of **FORUM PACIFIC INC.** (the "Corporation"), in accordance to SEC Memorandum Circular No. 6, Series of 2020 will be held on Monday, **July 20, 2026 at 11:00 a.m** and the meeting will be conducted virtually via secure online meeting (zoom application) platform to pass upon the following matters:

1. Call to Order;
2. Certification of Notice and Quorum;
3. Approval of the Minutes of the Previous Stockholders' Meeting for the year 2025;
4. President's Report to the Stockholders for the Year 2025 and Approval of the Annual Report;
5. Ratifications of the Acts of the Board and Management;
6. Election of the Board of Directors to Serve for the Term 2026-2027;
7. Appointment of External Auditor;
8. Appointment of External Counsel;
9. Other matters; and
10. Adjournment.

The record date for the purpose of determining the stockholders who are entitled to vote in said stockholders' meeting is **June 25, 2026**. The stock and transfer book will be closed from **June 26 to July 20, 2026**.

PARTICIPATION ONLY VIA REMOTECOMMUNICATION. Stockholders can only participate in the meeting by remote communication on **July 20, 2026**. Stockholders as of **June 25, 2026**, the Record Date, who intend to participate or be represented in the virtual annual stockholders meeting may register by notifying the Corporation by email at forumpacific.asm@gmail.com not later than July 17, 2026 and shall first submit a copy of proof of identity, ownership and other certification/information for validation purposes and/or duly accomplished proxy instrument for a representative to the virtual meeting, if applicable. After validation, the stockholder shall thereafter receive an email confirmation and details with link to log in and view the annual stockholders' meeting 2026 of the recorded schedule.

VOTES MAY BE CAST ONLY THROUGH ONLINE CASTING OF VOTES/PROXIES ON OR BEFORE **July 17, 2026** (at 5:00P.M.). Stockholders whose shareholdings are lodged with the Philippine Central Depository are reminded to secure a certification of your shareholdings from your respective stockbrokers.

WE ARE NOT SOLICITING YOUR PROXY.

Pasig City, Philippines, June 10, 2026


AMANDO J. PONSARAN, JR.
Corporate Secretary
Unit 3104, 31st Floor Antel Global Corporate Centre
#3 Doña Julia Vargas Avenue, Ortigas Center, Pasig City

Note: Electronic copy of Information Statement, SEC 17-A and other pertinent documents are available on the Company's website (www.forumpacific.com) and PSE Edge portal

BALLOT / PROXY FORM

Please mark as applicable:

Vote By Ballot: The undersigned stockholder of **FORUM PACIFIC, INC.** (the “Company”) casts his/her vote on the agenda items for the Annual Meeting of Stockholders on **July 20, 2026**.

Vote By Proxy: The undersigned, stockholder of **FORUM PACIFIC, INC.** (the “Company”), do hereby constitutes and appoints _____, or in his/her absence, the Chairman of the meeting, as attorney-in-fact and proxy, with the power of substitution, to represent and vote upon _____ shares registered in the name of undersigned stockholder, at the Annual Meeting of Stockholders on **July 20, 2026** and any of its adjournment(s). If I fail to indicate my vote on the items specified below, my proxy shall vote in accordance with the recommendation of Management. Management recommends a “FOR ALL” vote for proposal 7, and a “FOR” vote for proposals 1 through 6*

ITEM NO.	SUBJECT MATTER	ACTION		
		Yes	No	Abstain
1	• Approval of Minutes of Previous Meeting held on July 21, 2025			
2	• Approval of Annual Financial Statements as of December 31, 2025			
3	• Ratification of all acts and resolutions of the Board of Directors and Management adopted during the preceding year.			
4	<ul style="list-style-type: none"> Election of Directors <p>*All nominees listed below Ruben D. Torres Elvira A. Ting Lamberto B. Mercado, Jr. Arthur R. Ponsaran Richard L. Ricardo Omar M. Guinomla Hanniel T. Ngo Sergio Antonio S. Ortiz-Luis (<i>Independent Director</i>) Renato C. Francisco (<i>Independent Director</i>) Josaias T. Dela Cruz (<i>Independent Director</i>) Aristeo R. Cruz (<i>Independent Director</i>)</p> <p><i>Note:</i> To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list the name(s) under.</p>	FOR ALL*	WITHHOLD FOR ALL*	EXCEPTION
5	• Appointment of Diaz Murillo Dalupan and Co. CPAs, as external auditor for 2026			
6	• Appointment of Corporate Counsels, Phils. Law Offices as external legal counsel for 2026			
7	• At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the Meeting.			

Signed this _____ day of _____ 2026.

 PRINTED NAME OF STOCKHOLDER

 SIGNATURE OF STOCKHOLDER /
 NAME AND SIGNATURE OR AUTHORIZED REPRESENTATIVE

*THIS BALLOT/PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE JULY 20, 2026. KINDLY EMAIL TO FORUMPACIFIC.ASM@GMAIL.COM

THIS BALLOT/PROXY FORM IS NOT REQUIRED TO BE NOTARIZED, AND WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED “FOR” THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANYTIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS ALSO CONSIDERED REVOKED IF THE STOCKHOLDER ATTENDS THE MEETING IN PERSON AND EXPRESSED HIS INTENTION TO VOTE IN PERSON.

THE FULL DETAILS OF THE REGISTRATION AND VOTING PROCEDURES WILL BE AVAILABLE ON THE COMPANY’S WEBSITE. PLEASE GO TO <https://www.forumpacific.com/annualstockholdersmeeting.html>

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
SECURITIES REGULATION CODE**

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter : **FORUM PACIFIC, INC.
(the "Corporation")**
3. Province, country or other jurisdiction of incorporation or organization : **Metro Manila, Philippines**
4. SEC Identification Number : **AS93000120**
5. BIR Tax Identification Code : **002-155-598-000**
6. Address of Registrant's Principal Office : **35th Flr. One Corporate Center, Doña Julia Vargas Ave., cor. Meralco Ave., Ortigas Center, Pasig City
Postal code: 1605**
7. Registrant's telephone number, including area code : **(632) 8706-7888**
8. Date, time and place of Stockholder's Meeting : **July 20, 2026 at 11:00a.m.
35th Flr. One Corporate Center, Doña Julia Vargas Ave., cor. Meralco Ave., Ortigas Center, Pasig City (virtually or via remote communication via ZOOM meeting application, in accordance with SEC Memorandum Circular No. 6 series of 2020)**
9. Approximate date on which the Information Statement will be published through alternative mode of distribution through the Corporation's website and PSE Edge : **June 25, 2026**
10. In case of Proxy Solicitation : **Not Applicable**
11. Securities registered pursuant to Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):
- | Title of Each Class | No. of Shares of Common Stock Outstanding or Amount of Debt Outstanding As of March 31, 2026 Quarterly Report |
|--|---|
| Common Shares – P1.00 par value | Issued and Outstanding – ₱1,838,943,246
(Fully paid subscription – ₱ 691,759,167)
(Partially paid subscription – ₱1,147,184,079) |
| Amount of Debt Outstanding | ₱8,376,679 |
12. Are any or all of registrants' securities listed on the Philippine Stock Exchange?
Yes No

The common shares of the Corporation are listed on the Philippine Stock Exchange.

PART 1

A. GENERAL INFORMATION

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

Date, Time, and Place of Meeting

: **July 20, 2026**

11:00 A.M.

35th Flr. One Corporate Center, Doña Julia Vargas Ave., cor. Meralco Ave., Ortigas Center, Pasig City (virtually or via remote communication via ZOOM meeting application in accordance with SEC Memorandum Circular No. 6 series of 2020)

Complete Registrant's Mailing Address

: **35th Flr. One Corporate Center, Doña Julia Vargas Ave., cor. Meralco Ave., Ortigas Center, Pasig City**

The approximate date on which the Information Statement will be published through alternative mode of distribution through the Corporation's website and PSE Edge

: **June 25, 2026**

Item 2. Dissenters' Right of Appraisal

Instances of appraisal right of dissenters with respect to any matter to be acted upon provided in Section 80 of the Revised Corporation Code of the Philippines:

- (a) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
- (c) In case of merger or consolidation; and
- (d) In case of Investment of corporate funds for any purpose other than the primary purpose of the corporation.

In instances wherein the stockholder has voted against a proposed corporate action, the statutory procedures required to be followed by dissenting security holders in order to perfect such rights are, as follows:

- (a) The dissenting stockholder shall make a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action;
- (b) If, within (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by (3) disinterested persons one of whom shall be named by the stockholder, another by the corporation, and the third by the (2) thus chosen. Then findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: Provided further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation;

There are no matters or proposed corporate actions to be taken up during the annual stockholders meeting which may give rise to a possible exercise by security holders of their appraisal rights under Title X of the Revised Corporation Code of the Philippines.

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

Each of the incumbent Directors or Officers of the Corporation since the beginning of the last fiscal year or any associate of any of the foregoing persons do not have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon.

None of the incumbent Directors of the Corporation has issued any notice in writing of an intention to oppose any action to be taken by the registrant at the meeting.

B. CONTROL AND OTHER INFORMATION**Item 4. Voting Securities and Principal Holders Thereof**

(a) Class of Voting Shares as of May 31, 2026;

Common Shares:	Shares Outstanding	No. of Vote Each Share is Entitled
Filipino	1,795,658,204	One (1) vote per share
Foreign	43,285,042	One (1) vote per share
Total	1,838,943,246	

The Corporation has 1,838,943,246 outstanding common shares, the only shares traded by the Corporation as of May 31, 2026. Every stockholder shall be entitled to one vote for each share of stock held as of the established record date.

Record Date:

(b) All stockholders of record as of June 25, 2026 are entitled to notice and vote at the Corporation's Annual Meeting of the Stockholders.

(c) Manner of Voting:

The election of directors shall be taken up at the meeting and pursuant to Section 23 of the Revised Corporation Code. The holders of common stock are entitled to one vote per share but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all such votes for a single nominee or may apportion such votes among any two or more nominees.

The report attached to this SEC Form 20-IS is the management report to stockholders required under SRC Rule 20 to accompany the SEC Form 20-IS and is hereinafter referred to as the "Management Report".

Security Ownership of Certain Record and Beneficial Owners and Management

(1.) Security Ownership of Certain Record and Beneficial Owners

As of May 31, 2026 the Corporation knows of no one who beneficially owns in excess of 5% of the Corporation's common stock except as set forth in the table below.

The percentage of shares held is based on the outstanding shares of 1,838,943,246 plus the treasury shares of 36,056,750.

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of total o/s shares
Common	International Polymer Corporation T. Santiago St., Canumay, Valenzuela City (Stockholder)	same as record owner*	Filipino	496,887,494	26.501
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Center,	PCD Participants and their clients**	Filipino	447,565,074	23.870

	6766 Ayala Ave. Cor. Paseo De Roxas, Makati City (Stockholder)				
Common	The Wellex Group Inc., 35th Flr., One Corporate Center, Doña Julia Vargas Ave., cor Meralco Ave., Ortigas Center, Pasig City (Stockholder)	same as record owner***	Filipino	376,950,000	20.104

**International Polymer Corporation ("IPC") is a significant shareholder of the Company. As per By-laws and the Corporation Code, the Board of Directors of IPC has the power to decide how the IPC shares in Forum Pacific Inc. are to be voted. Either Ms. Elvira A. Ting, Corporate Treasurer, or its Chairman is assigned to vote as proxy on behalf of IPC.*

***The clients of each company have the power to decide how their shares are to be voted. Natural persons authorized to vote the shares of PCD Nominee cannot be identified until the proxy shall have been appointed in writing by the stockholder himself or by his duly authorized attorney-in-fact.*

****The Wellex Group, Inc. ("TWGI") is a significant shareholder of the Company. As per By-laws and the Corporation Code, the Board of Directors of TWGI has the power to decide how the TWGI shares in Forum Pacific Inc. are to be voted. Either Ms. Elvira A. Ting, Corporate Treasurer, or its Chairman is assigned to vote as proxy on behalf of TWGI.*

(2.) Security Ownership of Directors and Management (As of May 31, 2026):

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Atty. Ruben D. Torres	100 (direct)	Filipino	0.000
Common	Elvira A. Ting	400,001 (direct)	Filipino	0.021
Common	Atty. Lamberto B. Mercado, Jr.	100 (direct)	Filipino	0.000
Common	Richard L. Ricardo	100 (direct)	Filipino	0.000
Common	Atty. Arthur R. Ponsaran	1 (direct)	Filipino	0.000
Common	Omar M. Guinomla	100 (direct)	Filipino	0.000
Common	Sergio Antonio S. Ortiz-Luis	100 (direct)	Filipino	0.000
Common	Renato C. Francisco	100 (direct)	Filipino	0.000
Common	Josaias T. Dela Cruz	100 (direct)	Filipino	0.000
Common	Atty. Aristeo R. Cruz	20,000 (direct)	Filipino	0.001
Common	Hanniel T. Ngo	100 (direct)	Filipino	0.000
	Amando J. Ponsaran, Jr.	-	Filipino	0.000
	Atty. Dorothy Jean M. Aclan	-	Filipino	0.000
	Annabelle T. Abunda	-	Filipino	0.000
All directors and officers as a group		420,802(direct)		0.022

(3.) Voting Trust Holders of 5% or more
There are no voting trust holders of 5% or more.

(4.) Changes in Control
There is no change in control of the Corporation and there is no arrangement of which may result in change of control.

(d) No change in control of the corporation has occurred since the beginning of its last year.

Item 5. Directors and Executive Officers

Information required hereunder is incorporated by reference to the section entitled "Directors and Executive Officers of the Registrant" on pages 70-74 of the Management Report.

Presented below is the final list of candidates for directors. The following are expected to be nominated to the Board of Directors of the Corporation:

	Name	Position	Age	Citizenship	Term	Year Covered
1.	Atty. Ruben D. Torres	Chairman	83	Filipino	1 year	Jul2026 – Jul2027
2.	Elvira A. Ting	President	64	Filipino	1 year	Jul2026 – Jul2027
3.	Hannel T. Ngo	Treasurer	43	Filipino	1 year	Jul2026 – Jul2027
4.	Atty. Lamberto B. Mercado Jr.	Director	61	Filipino	1 year	Jul2026 – Jul2027
5.	Atty. Arthur R. Ponsaran	Director	82	Filipino	1 year	Jul2026 – Jul2027
6.	Omar M. Guinomla	Director	53	Filipino	1 year	Jul2026 – Jul2027
7.	Richard L. Ricardo	Director	62	Filipino	1 year	Jul2026 – Jul2027
8.	Sergio Antonio S. Ortiz-Luis	Independent Director	51	Filipino	1 year	Jul2026 – Jul2027
9.	Renato C. Francisco	Independent Director	77	Filipino	2 years	Jul2026 – Jul2028
10.	Josaias T. Dela Cruz	Independent Director	64	Filipino	3 years	Jul2026 – Jul2029
11.	Atty. Aristeo R. Cruz	Independent Director	59	Filipino	3 years	Jul2026 – Jul2029

The aforementioned nominees are all incumbent directors. Their qualifications are presented on pages 70-74 of Management Report. Mr. Sergio Antonio S. Ortiz-Luis, Mr. Renato C. Francisco, Mr. Aristeo R. Cruz and Mr. Josaias T. Dela Cruz will be serving their 3rd, 7th, 6th and 6th year, respectively, as independent directors when elected during the annual meeting. A company's independent director shall serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from re-election as such. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting pursuant to SEC Memorandum Circular No. 4 Series of 2017 (Term Limit of Independent Directors).

The Certifications of Independent Directors executed by the aforementioned independent directors of the Corporation are attached hereto (Please refer to pages 25-29).

Ms. Elvira A. Ting recommended the nomination of the foregoing candidates for independent directors. She has no relationships with these nominees.

None of the candidates for independent directors of the Corporation are related to Forum Pacific Inc.

The members of the Nomination Committee of the Corporation are the following:

1. Elvira A. Ting – Chairman
2. Sergio Antonio S. Ort-z-Luis – Member (Independent Director)
3. Atty. Ruben D. Torres – Member

The members of the Executive Committee are the following:

1. Elvira A. Ting – Chairman
2. Hannel T. Ngo – Member
3. Omar M. Guinomla – Member
4. Atty. Lamberto B. Mercado, Jr. – Member
5. Ruben D. Torres – Member

Information required by the SEC under SRC Rule 38 on the nomination and election of Independent Directors.

A. Definition

1. An independent director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in the corporation and includes, among others, any person who:

1.1 Is not a director or officer or substantial stockholder of the corporation or of its related

- companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
- 1.2 Does not own more than two percent (2%) of the shares of the corporation and/or its related companies or any of its substantial shareholders;
 - 1.3 Is not a relative of any director, officer or substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
 - 1.4 Is not acting as a nominee or representative of any director or substantial shareholder of the corporation, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;
 - 1.5 Has not been employed in any executive capacity by the corporation, any of its related companies and/or by any of its substantial shareholders within the last two (2) years;
 - 1.6 Is not retained, either personally or through his firm or any similar entity, as professional adviser, by the corporation, any of its related companies and/or any of its substantial shareholders, within the last two (2) years; or
 - 1.7 Has not engaged and does not engage in any transaction with the corporation and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial.
2. No person convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of this Code, committed within five (5) years prior to the date of his election, shall qualify as an independent director. This is without prejudice to other disqualifications which the corporation's Manual on Corporate Governance provides.
 3. Any controversy or issue arising from the selection, nomination or election of independent directors shall be resolved by the Commission by appointing independent directors from the list of nominees submitted by the stockholders.
 4. When used in relation to a company subject to the requirements above:
 - 4.1 Related company means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
 - 4.2 Substantial shareholder means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

B. Qualifications and Disqualifications of Independent Directors

1. An independent director shall have the following qualifications:
 - 1.1 He shall have at least one (1) share of stock of the corporation;
 - 1.2 He shall be at least a college graduate or he shall have been engaged or exposed to the business of the corporation for at least five (5) years;
 - 1.3 He shall possess integrity and probity; and
 - 1.4 He shall be assiduous.
2. No person enumerated under Section II (5) of the Code of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:
 - 2.1 He becomes an officer or employee of the corporation where he is such member of the board of directors/trustees, or becomes any of the persons enumerated under letter (A) hereof;
 - 2.2 His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of the corporation where he is such director;
 - 2.3 Fails, without any justifiable cause, to attend at least 50% of the total number of Board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family;
 - 2.4 Such other disqualifications that the Corporate Governance Manual provides.

C. Number of Independent Directors

All companies are encouraged to have independent directors. However, issuers of registered securities and public companies are required to have at least two (2) independent directors or at least twenty percent (20%) of its board size, whichever is the lesser.

D. Nomination and Election of Independent Directors

1. The Nomination Committee (the "Committee") shall have at least three (3) members, one of whom is an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the corporation's information or proxy statement or such other reports required to be submitted to the Commission.
2. Nomination of independent director/s shall be conducted by the Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
3. The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.
4. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Corporation is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.
5. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent director/s. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained nor allowed on the floor during the actual annual stockholders' meeting.
6. Election of Independent Director/s
 - 6.1 Except as those required under this Rule and subject to pertinent existing laws, rules and regulations of the Commission, the conduct of the election of independent director/s shall be made in accordance with the standard election procedures of the company or its by-laws.
 - 6.2 It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent director/s. He shall ensure that independent director/s is elected during the stockholders' meeting.
 - 6.3 Specific slot/s for independent directors shall not be filled-up by unqualified nominees.
 - 6.4 In case of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

E. Termination/Cessation of Independent Directorship

In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Committee otherwise, said vacancies shall be filled by the stockholders in a regular or special meeting called for that purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

The procedures for the "Nomination and Election of Independent Directors pursuant to SRC Rule 38" are to be incorporated in the By-Laws of the Corporation. The Board of Directors approved the amendments to the Corporation's By-Laws to adopt SRC Rule 38 on December 14, 2004.

The By-Laws of the corporation were amended after the Stockholders' meeting on July 1, 2011 which includes the provisions of SRC Rule 38, as approved by the Board of Directors and Stockholders during the last Stockholders' meeting dated December 14, 2004.

F. Term Limits for Independent Directors

Pursuant to SEC Memorandum Circular No. 4 Series of 2017, the Commission in its en banc meeting on March 9, 2017 resolved to amend its rules on the term limit of independent directors as follows:

1. A company's independent director shall serve for a maximum cumulative term of nine (9) years;
2. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as a non-independent director;

3. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and
4. Reckoning of the cumulative nine-year term is from 2012.

Significant Employees

There are no other employees other than the officers mentioned in the preceding subsection who are expected to make significant contribution to the business.

Family Relationships

Ms. Elvira A. Ting, the President/Director, is Mr. Hanniel T. Ngo's maternal aunt, the Treasurer/Director. There are no family relationships up to the fourth civil degree either by consanguinity or affinity among other directors, executive officers, persons nominated or chosen by the corporation to become directors, or executive officers other than the above.

Disclosures on Director's Self-Dealing and Related Party Transactions

There are no directors who has direct business transactions with the company. A director must abstain from participating in a meeting when related party transactions, self-dealings or any transactions on which he/she has a material interest to ensure that he/she has no influence over the outcome of the deliberations.

Involvement in Certain Legal Proceedings

For the past 5 years up to May 31, 2026, the Company is not aware of any bankruptcy proceedings filed by or against any business of a director, person nominated to become a director, executive officer or control person of the Company is a party or of which any of their property is subject.

For the past 5 years up to May 31, 2026, the Company is not aware of any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, of any of its director, person nominated to become a director, executive officer, or control person.

For the past 5 years up to May 31, 2026, the Company is not aware of any order, judgment or decree not subsequently reversed, superseded, or vacated, by any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting the involvement of a director, person nominated to become a director, executive officer, or control person of the Company in any type of business, securities, commodities, or banking activities.

For the past 5 years up to May 31, 2026, the Company is not aware of any findings by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of its director, person nominated to become a director, executive officer, or control person has violated a securities or commodities law.

Certain Relationships and Related Transactions

In previous years, Forum Pacific, Inc. extended/obtained advances to/from related parties to finance the exploration activities of the related parties and to fund the overhead expenses of the Company. These advances are, in general, do not have fixed repayment terms and do not carry interest. (Note 11 of the Audited Financial Statements as of and for the year ended December 31, 2025)

Ownership Structure and the Company

Forum Pacific Inc. previously owned 60% of the stockholdings of Forum Coal Cebu Holdings, Inc. (FCCHI), a domestic corporation registered with the Philippine SEC on February 3, 2006. Its primary purpose is to acquire, hold and dispose of bonds, debentures, promissory notes, shares of capital and the likes, without engaging as a dealer or broker of securities. Its registered office is located at 14th Floor, Pearlbank Centre, 146 Valero Street, Salcedo Village, Makati City. FCCHI has 60% ownership of Forum Cebu Coal Corporation (FCCC), a domestic corporation which holds 100% interest in one (1) Coal Operating Contract in Cebu-COC 131.

FCCHI sold all of its shareholdings of FCCC on September 23, 2009 and decided to liquidate its business through shortening of its corporate term until November 30, 2009. FCCHI was formally dissolved pursuant to a resolution duly adopted by the FCCHI's Board of Directors and Stockholders representing at least two-thirds (2/3) of the outstanding capital stock dated October 9, 2009. Such dissolution was subsequently approved by the SEC on July 6, 2012.

On July 19, 2012, FPI Board of Directors approved the write-off of the investment in FCCHI. As per Corporation Code of the Philippines, upon approval by the SEC of the amended Articles of Incorporation to shorten the corporate term, the corporation shall be deemed dissolved without any further proceedings.

Hence, starting 2012, the Company needs not present consolidated financial statements.

Resignation of Directors Due to Disagreement

There are no directors who resigned or decline to stand for re-election because of disagreement.

Item 6. Compensation of Directors & Executive Officers

The following table list the names of the Corporation's Directors and Executive Officers' Annual Compensation for the three most recent years including the estimated compensation for year 2026.

For the year 2025, Atty. Ruben D. Torres, Mr. Renato C. Francisco, Mr. Aristeo R. Cruz, Mr. Sergio Antonio S. Ortiz-Luis and Mr. Josaias T. Dela Cruz, were the only external and independent directors who received a per diem of ₱10,000 each for attending the Annual Stockholders' Meeting. No other payments were made as director's fee other than the mentioned per diem for the year 2025. On the same matter, there is none to report for the period January 2026 to present.

Name and Principal Position	Year	Salary (Php)	Bonus (Php)	Other Annual Compensation (Php)
Atty. Ruben D. Torres <i>Chairman of the Board/Director</i>	2026 (est)	-	-	10,000
	2025	-	-	10,000
	2024	-	-	10,000
Elvira A. Ting** <i>President/CEO/Director</i>	2026 (est)	-	-	-
	2025	-	-	-
	2024	-	-	-
Hannel T. Ngo** <i>Treasurer/Director</i>	2026 (est)	-	-	-
	2025	-	-	-
	2024	-	-	-
Josaias T. Dela Cruz <i>Independent Director/ Lead Independent Director</i>	2026 (est)	-	-	10,000
	2025	-	-	10,000
	2024	-	-	10,000
Atty. Aristeo R. Cruz <i>Independent Director / Chief Audit Executive</i>	2026 (est)	-	-	10,000
	2025	-	-	10,000
	2024	-	-	10,000
Renato C. Francisco Sergio Antonio S. Ortiz-Luis <i>Independent Directors</i>	2026 (est)	-	-	20,000
	2025	-	-	20,000
	2024	-	-	20,000
Atty. Lamberto B. Mercado, Jr.** Atty. Arthur Ponsaran* <i>Regular Directors</i>	2026 (est)	-	-	-
	2025	-	-	-
	2024	-	-	-
Richard L. Ricardo** <i>Regular Director / Investor Relations Officer</i>	2026 (est)	-	-	-
	2025	-	-	-
	2024	-	-	-
Omar M. Guinomla** <i>Regular Director / Data Protection Officer</i>	2026 (est)	-	-	-
	2025	-	-	-
	2024	-	-	-
Amando J. Ponsaran, Jr.* <i>Corporate Secretary</i>	2026 (est)	-	-	-
	2025	-	-	-
	2024	-	-	-
Atty. Dorothy Jean M. Aclan* <i>Assistant Corporate Secretary</i>	2026 (est)	-	-	-
	2025	-	-	-
	2024	-	-	-
Annabelle T. Abunda** <i>Finance and Compliance Officer</i>	2026 (est)	-	-	-
	2025	-	-	-
	2024	-	-	-
Lauraine F. San Roque** <i>Chief Risk Officer</i>	2026 (est)	-	-	-
	2025	-	-	-

	2024	-	-	-
Total aggregate compensation as a group	2026 (est)	-	-	50,000
	2025	-	-	50,000
	2024	-	-	50,000

**employees of the company's external legal counsel (Law Firm receives compensation on retainer fee basis)*

***compensation is under the management contract with The Wellex Group, Inc. from which they are also officers*

The members of the Compensation Committee are the following:

1. Atty. Ruben D. Torres – Chairman
2. Elvira A. Ting – Member
3. Hanniel T. Ngo – Member

Standard Arrangement

Except for a nominal amount of per diem amounting to ₱10,000 during attendance in regular meetings, there are no standard arrangements to which directors of the Corporation are compensated, or are to be compensated, directly or indirectly for any services provided as a director for the last completed calendar year and ensuing year.

As mentioned, due to tight cash position of the Company, it was agreed that only External and Independent Directors were given a per diem of ₱10,000 during attendance in regular meetings. For the year 2025, here is the list of Directors who received a per diem:

	Name	Position	Per Diem
1.	Sergio R. Ortiz-Luis, Jr.	Regular Director	10,000.00
2.	Ruben D. Torres	Regular Director	10,000.00
3.	Renato C. Francisco	Independent Director	10,000.00
4.	Josaias T. Dela Cruz	Independent Director	10,000.00
5.	Aristeo R. Cruz	Independent Director	10,000.00

Other Arrangements

There are no other arrangements pursuant to which any director of the Corporation was compensated, or is to be compensated directly or indirectly for any services provided as a director for the last completed calendar year and ensuing year, for any service provided as a director.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There is no employment contract and termination of employees and change-in-control arrangement with directors and executive officers.

Warrants and Options Outstanding

There are no warrants and options outstanding held by Forum Pacific Inc.'s CEO, executive officers and all officers and directors as a group.

Item 7. Appointment of Independent Public Accountants

- a. Diaz Murillo Dalupan and Company, CPAs, upon recommendation by the Audit Committee of the Board of Directors composed of Mr. Aristeo R. Cruz as Chairman and Mr. Josaias T. Dela Cruz and Mr. Ruben D. Torres as members, was re-appointed by the stockholders as the principal external auditors for the years 2025 and 2024, and is again being recommended to the stockholders for re-election as the Company's principal external auditors for the year 2026. The selection of external auditors is made on the basis of credibility, professional reputation, accreditation with the Securities and Exchange Commission and affiliation with a reputable foreign partner. The professional fees of the external auditors are approved by the Company after approval by the stockholders of the engagement and prior to the commencement of each audit season.
- b. In compliance with SEC Rule 68 paragraph 3(b)(iv) (Rotation of External Auditors), and as adopted by the Company, external auditors or engagement partners are rotated or changed every five years or earlier. Mr. Jozel Francisco C. Santos was the lead engagement partner in 2014 to 2015, Ms. Rosemary D. De Mesa in 2016 to 2018, Ms. Michelle Marie A. Recto in 2024 and Mr. Richard Noel M. Ponce in 2019-2023 and 2025 and will be the lead engagement partner as well for the year 2026.

- c. Representatives of the said firm are expected to be present at the stockholders' meeting and they will have the opportunity to make statement if they desire to do so and are expected to be available to respond to appropriate questions
- d. The members of the Audit Committee of the Corporation are the following:
 1. Atty. Aristeo R. Cruz – Chairman (Independent Director)
 2. Josaias T. Dela Cruz – Member (Independent Director)
 3. Atty. Ruben D. Torres – Member

External Audit Fees and Services

Fees approved in connection with the audit and audit-related services rendered by Diaz Murillo and Company pursuant to the regulatory and statutory requirements for the years ended December 31, 2025 and 2024 is shown below, for expressing an opinion on the financial statements and assistance in preparing the annual income tax return:

	2025	2024
Audit Fees	P480,000	P470,000
Out of Pocket Expenses*	48,000	47,000
VAT (12%)**	63,360	62,040
TOTAL	P591,360	P579,040

No other service such as tax and assurance audit was provided by external auditors to the Company for the calendar year 2025 and 2024.

**Out of Pocket Expenses are expenses incurred by the external auditors in the course of the audit such as printing, postage, transportation, communication and other expenses during audit fieldwork and manpower cost for overtime work which were reimbursed from the company.*

The Audit Committee Approval Policies and Procedures for the services rendered by the External Auditors

The Corporate Governance Manual of the company provides that the audit committee shall, among others:

1. Evaluate all significant issues reported by the external auditors relating to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company.
2. Ensure that other non-audit work provided by the external auditors is not in conflict with their functions as external auditors.
3. Ensure the compliance of the Company with acceptable audit and accounting standards and regulations.

The Company submitted its Integrated Annual Corporate Governance Report (ACGR) on May 5, 2026 covering the year 2025.

The independent directors have submitted their Certificate of Qualification as required by the SEC vis-à-vis Section 38 of the Securities Regulation Code.

Changes in and disagreements with Accountants and Financial Disclosure

There are no changes in and disagreements with accountants on accounting and financial disclosure.

Item 8. Compensation Plans

Not applicable.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

Forum Pacific, Inc. has no plans yet to increase its authorized capital stock.

Item 10. Modification or Exchange of Securities

Forum Pacific, Inc. has no plans yet to modify any of each authorized and issued securities or to exchange them to another class.

Item 11. Financial and Other Information

Audited Financial Statements as of 31 December 2025, Management's Discussion and Analysis and Market Price of Shares and other data related to the Corporation's financial information are attached hereto. The schedules required under Part IV(c) of Rule 68 are included in the Annual Report.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There is no action intended to be taken with respect to any transaction involving the following: (1) the merger or consolidation of the Corporation into or with any other entity; (2) the acquisition by the Corporation or any of its stockholders of securities of another person or entity; (3) the acquisition by the Corporation of any other going business or of the assets thereof; (4) the sale or other transfer of all or any substantial part of the assets of the Corporation; and (5) the liquidation or dissolution of the Corporation.

Item 13. Acquisition or Disposition of Property

There is no action to be taken with respect to any material acquisition or disposition of any property of the Corporation.

Item 14. Restatement of Accounts

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of the Corporation.

D. OTHER MATTERS**Item 15. Action with Respect to Reports**

There is no action to be taken with respect to any report of the Company or its directors, officers or committees, except for the approval of the minutes of the previous annual stockholders meeting of the company which was held last July 21, 2025 and for the ratification of all acts of the Board of Directors during their term of office.

The previous Annual Stockholders' Meeting held on July 21, 2025 was attended, in person or by proxy, by the stockholders representing 1,080,540,097 common shares, constituting 58.76% of the total outstanding capital stock of the Company as of record date June 27, 2025. The attendance constituted a quorum for the approval of all matters in the agenda. The Board of Directors, Officers, external legal counsels and external auditors were also present in the said meeting. Summary of attendance for the determination of quorum as prepared and tabulated by the company's stock transfer agent, BDO Unibank, Inc. of last annual stockholders' meeting held on July 21, 2025 is as follows:

FORUM PACIFIC, INC.
DETERMINATION OF QUORUM
ANNUAL STOCKHOLDERS' MEETING – JULY 21, 2025

STOCKHOLDER'S NAME	BY PROXY	NO. OF SHARES	PERCENTAGE
INTERNATIONAL POLYMER CORP.	ELVIRA A. TING / CHAIRMAN	496,887,494	27.02%
THE WELLEX GROUP, INC.	ELVIRA A. TING / CHAIRMAN	376,950,000	20.50%
FORUM HOLDINGS CORPORATION	ELVIRA A. TING / CHAIRMAN	200,000	0.01%
WESTLINK GLOBAL EQUITIES, INC. (PCD)	ELVIRA A. TING / CHAIRMAN	178,321,900	9.70%
WESTLINK GLOBAL EQUITIES, INC. (PCD)	FRANCIS T. VALENTON	10,000	0.00%
WESTLINK GLOBAL EQUITIES, INC. (PCD)	KRISTINE A. MONTERDE	10,000	0.00%
WESTLINK GLOBAL EQUITIES, INC. (PCD)	CHRISTINE P. VALENZUELA	10,000	0.00%
WESTLINK GLOBAL EQUITIES, INC. (PCD)	KAREN MAE C. ABARRA	10,000	0.00%
WESTLINK GLOBAL EQUITIES, INC. (PCD)	DOROTHY JEAN M. ACLAN	10,000	0.00%
WESTLINK GLOBAL EQUITIES, INC. (PCD)	ROSEHELE V. TAMPUCAO	10,000	0.00%
WESTLINK GLOBAL EQUITIES, INC. (PCD)	AMANDO J. PONSARAN, JR.	10,000	0.00%
TRITON SECURITIES CORPORATION	ELVIRA A. TING / CHAIRMAN	27,540,000	1.50%
TRITON SECURITIES CORPORATION	ELVIRA A. TING / CHAIRMAN	50,000	0.00%
WILLIAM T. GATCHALIAN	ELVIRA A. TING / CHAIRMAN	100,001	0.01%
	SUBTOTAL	1,080,119,395	58.74%

IN PERSON			
RUDEN D. TORRES	DIRECTOR / CHAIRMAN	100	0.00%
ELVIRA A. TING	DIRECTOR / PRESIDENT	400,001	0.02%
HANNIEL T. NGO	DIRECTOR / TREASURER	100	0.00%
LAMBERTO B. MERCARDO, JR.	DIRECTOR	100	0.00%
RICHARD L. RICARDO	DIRECTOR	100	0.00%
ARTHUR R. PONSARAN	DIRECTOR	1	0.00%
OMAR M. GUINOMLA	DIRECTOR	100	0.00%
SERGIO ANTONIO S. ORTIZ-LUIS	DIRECTOR	100	0.00%
JOSAIAS T. DELA CRUZ	DIRECTOR	100	0.00%
ARISTEO R. CRUZ	DIRECTOR	20,000	0.00%
	SUBTOTAL	420,702	0.02%
GRAND TOTAL		1,080,540,097	
TOTAL ISSUED AND OUTSTANDING		1,838,943,246	
% TO ISSUED AND OUTSTANDING		58.76%	

The following directors and officers were present during the 2025 annual stockholders' meeting:

	Name	Position
1.	Atty. Ruben D. Torres	Chairman/Independent Director
2.	Elvira A. Ting	President/Director
3.	Hanniel T. Ngo	Treasurer/Director
4.	Richard L. Ricardo	Investor Relation Officer/Director
5.	Atty. Arthur R. Ponsaran	Director
6.	Omar M. Guinomla	Director
7.	Atty. Lamberto B. Mercado Jr.	Director
8.	Sergio Antonio S. Ortiz-Luis	Independent Director
9.	Atty. Aristeo R. Cruz	Independent Director
10.	Josaias T. Dela Cruz	Independent Director
11.	Amando J. Ponsaran, Jr.	Corporate Secretary
12.	Dorothy Jean M. Aclan	Asst. Corporate Secretary
13.	Annabelle T. Abunda	Compliance Officer

Ret. Judge Renato C. Francisco wasn't able to attend the ASM

An affirmative vote by the stockholders owning at least a majority of the outstanding capital stock was sufficient for the approval of the above items.

All the items of the agenda from previous year's meeting were approved by the stockholders and the voting results as follows (% based on the attendees):

Agenda	Voting Results		
	For	Against	Abstain
Approval of Minutes of Previous Meeting held last June 11, 2024	58.76%	0.00%	0.00%
Approval of Annual Report for the year ended December 31, 2024	58.76%	0.00%	0.00%
Ratification of acts of the Board and Management	58.76%	0.00%	0.00%
Election of Board of Directors	58.76%	0.00%	0.00%
Ruben D. Torres	58.76%	0.00%	0.00%
Elvira A. Ting	58.76%	0.00%	0.00%
Hanniel T. Ngo	58.76%	0.00%	0.00%
Arthur R. Ponsaran	58.76%	0.00%	0.00%
Lamberto B. Mercado, Jr.	58.76%	0.00%	0.00%
Richard L. Ricardo	58.76%	0.00%	0.00%
Omar M. Guinomla	58.76%	0.00%	0.00%
Sergio Antonio S. Ortiz-Luis	58.76%	0.00%	0.00%
Renato C. Francisco	58.76%	0.00%	0.00%
Josaias T. Dela Cruz	58.76%	0.00%	0.00%
Aristeo R. Cruz	58.76%	0.00%	0.00%
Election of External Auditor	58.76%	0.00%	0.00%
Election of External Counsel	58.76%	0.00%	0.00%
Other Matters	58.76%	0.00%	0.00%

The minutes of the previous meeting last July 21, 2025 contains the approval of the following:

1) Minutes of Stockholders meeting held on June 11, 2024;

As there are no objections on the minutes of previous meeting, copy of which was distributed to stockholders via access to company's website and PSE EDGE portal, the same was approved.

2) Audited Financial Statements for the year ended December 31, 2024;

The President, Ms. Elvira A. Ting, rendered her report on the finance and operations of the Corporation during the year 2024 as reflected in the Annual Report, the Audited Financial Statements and the Information Statement, copies of which have been earlier given to the stockholders. Ms. Ting presented the highlights of the performance of the Corporation for the year 2024.

The President mentioned in her report that Covid-19 pandemic no longer post a threat in the conduct of economic activities and the Company is cautiously hopeful that the business environment will start to grow over the coming year, now that the regional travel has opened up and various foreign investor groups are visiting the Philippines. The Company and the Management is optimistic for an economic turn-around and will continue to explore new business opportunities in the development of industrial estate.

She reported on the following:

- The Company is conducting research and feasibility studies on various renewable projects, demand and supply studies, as well as site feasibility studies and selection of green and clean coal technologies and will consider investing into potential renewable energy sources like liquefied natural gas, solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power.
- The Company is evaluating potential buyers who expressed interest to buy out the Company's remaining 33.33% capital stock investment in Forum Exploration, Inc. (FEI), a subsidiary of Pangilinan-led Forum Energy Plc and project operator for Libertad Gas Field or Service Contract (SC40). Though sale is on the table, the negotiation is put on hold pending clarification of several commercial issues. The President also report some development or update on the status of SC40.
- The Company will evaluate future business endeavors in the mining sector.
- Aside from the investment made in 2017 in a company involved in the real estate industry, the Company will further outline business target projects, welcome other business opportunities from different industries apart from oil and gas and mineral exploration and will further improve its financial position.

She also expressed her appreciation and gratitude to the stockholders of the Corporation for the continued support and trust in the board as well as the Management of the Corporation.

After her report, the chairman of the meeting gave the stockholders the opportunity to ask questions through sending messages in the chat box or raising their hands, which the president answered and addressed their concern.

Thereafter, on motion duly made and seconded, the stockholders approved the 2024 Annual Report and the accompanying Audited Financial Statement of the Corporation as of December 31, 2024.

3) Ratification of Corporate Acts of the Board of Directors and Officers of the corporation since June 11, 2024;

The Chairman stated the dates and agenda of all of the minutes of board meetings since June 11, 2024 up to the date of annual stockholders' meeting to inform the stockholders of all the acts of the Board of Directors and Executive Officers for ratification by the stockholders. As there were no objections, the acts of the Board of Directors and Executive Officers since June 11, 2024 were approved.

4) Election of Directors

The Chairman presented the nominees for the Board of Directors for election. Voting procedures were properly observed and followed. Nominated directors as presented were elected with no objections. Elected directors and officers will assume office for the term 2025-2026.

5) Appointment of External Counsels;

Corporate Counsels Philippines Law Offices was appointed and was approved to be the Company's external counsels of the Corporation for the year 2026.

6) Appointment of External Auditors;

With the given track record, Diaz, Murillo, Dalupan and Company, CPAs and its lead engagement partner, Mr. Richard Noel M. Ponce, was appointed and was approved to be the Company's external auditors for the year 2025.

The stockholders and its representative were given a chance to ask questions to the Board of Directors after each discussion of the agenda of the meeting. The registered stockholders and its proxies were also advised to send their questions in advance through forumpacific.asm@gmail.com. Minutes of the Annual Stockholders Meeting and Organizational Meeting were available in the company website.

The method by which votes counted from previous meeting:

The 2025 Annual Stockholders' Meeting was conducted via remote communication using Zoom Meeting. Stockholders who notified the Corporation of their intention to participate were given a chance to vote either in absentia or through proxy during their registration or in the given date of casting of votes from June 27 to July 21, 2025. The said registered stockholders and confirmed proxies were given the meeting link and password of the Annual Stockholders' Meeting. The counting of votes was done by the Corporate Secretary with the assistance of the representative of the Corporation's Stock Transfer Agent, BDO, Unibank, Inc. All votes attaching to the shares owned by stockholders whose proxies were received by the Corporation were casted in accordance with the instructions given or authority granted under proxies. The Corporate Secretary recorded all the votes and proceedings of the stockholders and of the Directors in a book kept for that purpose.

For the upcoming Annual Stockholders' Meeting on July 20, 2026, stockholders will be asked to approve or ratify during the annual stockholders meeting the following matters:

1. Minutes of the Annual Stockholders' Meeting held last July 21, 2025 will also be presented to the stockholders for approval by a majority vote of the stockholders.
2. The Annual Report and Audited Financial Statements for the year ended December 31, 2025 will be presented to the stockholders for approval by a majority vote of the stockholders. Approval of the Annual Report and Audited Financial Statements constitutes a ratification of the corporation's performance during the previous fiscal year contained therein.
3. Ratification of the corporate acts of the board of directors, committees and executive officers of the Corporation since July 21, 2025 by a majority vote of the stockholders.
4. Election of members of the board of directors for a term of one (1) year.
5. Appointment of Diaz Murillo Dalupan and Company, CPAs (DMDC) as external auditors of the Company for the year 2026.
6. Appointment of Corporate Counsels, Philippines as external legal counsels of the Company for the year 2026.

Below is a summary of the Corporate Acts of the Board of Directors and Executive Officers subject to ratification of the stockholders:

July 21, 2025

Annual stockholders' meeting for 2025 agenda of which includes:

- a) Approval of minutes of 2024 stockholders' meeting
- b) Approval of 2024 Audited Financial Statements
- c) Ratifications of the acts of the Board of Directors and Management
- d) Election of members of the board of directors for the year 2025-2026
- e) Approval of the amendment of the Article II Section 1 of the Corporation's By-Laws
- f) Appointment of External Auditors
- g) Appointment of External Counsels

February 20, 2026

Approval of the amendment of the MC28 Report to SEC for the change of official email address and mobile number for uploading of reports to SEC via SEC EFAST and designated the Corporate Secretary as the point person.

March 24, 2026

Abstention in the voting on the approval of Forum Exploration, Inc.'s (FEI) board to issue 561 million new common shares to accommodate the conversion of the long-outstanding shareholder advances of Forum Energy Philippines Corporation (FEPCo) (FEI's Parent Company) into new equity at Php1.00 par value per share subject to the completion of required documentation and regulatory filings. During the exercise, FEPCO will be the sole subscriber to the new shares, and FPI will continue to hold its current shareholdings in FEI. After the said exercise is completed, FPI will hold approximately 8.35% of the equity in FEI.

April 10, 2026

Approval of the audited financial statements including independent auditor's report for the year ended December 31, 2025.

April 22, 2026

Appointment of additional authorized filer, Mr. Alfredo R. Tolentino, Jr., for SEC EFAST in the uploading of required reports.

June 10, 2026

Setting the date of the annual stockholders' meeting on July 20, 2026 at 11:00 in the morning, virtually or via remote communication as set forth in the Corporation's By-Laws which the annual meeting of stockholders shall be held every 3rd Monday of July. The Board also set June 25, 2026 as record date for purposes of determining the shareholders entitled to receive Notice of Meeting and to vote and be elected during the said meeting.

In year 2025, no material information on the current stockholders, and their voting rights as well as in directors' disclosures on self-dealing and related party transactions.

For appraisal and performance report for the board and the criteria and procedure for assessment, please refer to the corporate governance report 2025, which stated that the principle is indicated in the Company's Revised Manual on Corporate Governance. But due to minimal operations of the Company, there was no written self-assessment of each individual or committee's performance.

Attendance Report on the attendance of Members of the Board during 2025 regular and special meetings:

	Apr 14	Jun 9	Jul 10	Jul 21*	Total No. of Meetings	Total No. of Meetings Attended	% of Attendance
Ruben D. Torres	✓	✓	✓	✓	4	4	100%
Elvira A. Ting	✓	✓	✓	✓	4	4	100%
Hannel T. Ngo**				✓	1	1	100%
Arthur R. Ponsaran	✓	✓	✓	✓	4	4	100%
Lamberto B. Mercado, Jr.	✓	✓	✓	✓	4	4	100%
Richard L. Ricardo	✓	✓	✓	✓	4	4	100%
Sergio Antonio S. Ortiz-Luis	✓	✓	✓	✓	4	4	100%
Renato C. Francisco	✓	✓	✓		4	3	75%
Aristeo R. Cruz	✓	✓	✓	✓	4	4	100%
Josaias T. Dela Cruz	✓	✓	✓	✓	4	4	100%
Omar M. Guinomla	✓	✓	✓	✓	4	4	100%

*ASM and Organizational Meeting

**elected only during the July 21, 2025 annual stockholders' meeting

Below tables are the attendance of directors in committee meetings for the year 2025:

AUDIT COMMITTEE – April 14, July 10, 2025 & December 16, 2025 (Audit planning meeting)

Directors	Total Present	Total Absent	Total Meetings
Atty. Aristeo R. Cruz	3	0	3
Josaias T. Dela Cruz	3	0	3
Atty. Ruben D. Torres	3	0	3

EXECUTIVE COMMITTEE – June 9, July 10 & July 21, 2025

Directors	Total Present	Total Absent	Total Meetings
Elvira A. Ting	3	0	3
Hanniel T. Ngo	1	0	1
Atty. Lamberto B. Mercado, Jr.	3	0	3
Atty. Ruben D. Torres	3	0	3
Omar M. Guinomla	3	0	3

CORPORATE GOVERNANCE COMMITTEE – April 14 & July 21, 2025

Directors	Total Present	Total Absent	Total Meetings
Atty. Ruben D. Torres	2	0	2
Josaias T. Dela Cruz	2	0	2
Atty. Lamberto B. Mercado, Jr.	2	0	2

NOMINATION COMMITTEE – June 9, 2025

Directors	Total Present	Total Absent	Total Meetings
Elvira A. Ting	1	0	1
Sergio Antonio S. Ortiz-Luis	1	0	1
Atty. Ruben D. Torres	1	0	1

COMPENSATION COMMITTEE – June 9, 2025

Directors	Total Present	Total Absent	Total Meetings
Atty. Ruben D. Torres	1	0	1
Elvira A. Ting	1	0	1
Kenneth T. Gatchalian	1	0	1

Item 16. Matters Not Required to be Submitted

There is action to be taken with respect to any matter which is not required to be submitted to a vote of the stockholders.

Item 17. Amendment of Charters, By-Laws & Other Documents

Except for the following, no other amendment was made by the Corporation as of this report:

1. Amendment of the Article II Section 1 of the Corporation's By-Laws (amending the date of Annual Meeting from Every 3rd Monday of April to Every 3rd Monday of July) as amended at the meeting of the Board of Directors last May 2, 2024 and approved by the majority vote of the stockholders on Annual Stockholders' Meeting on June 11, 2024. The amendment was approved by the Securities and Exchange Commission last March 20, 2025.
2. Amendment of the Article III of the Articles of Incorporation, as amended at a meeting of the Board of Directors held on March 11, 2011 and at the stockholders' meeting held on July 8, 2011 and approved by the Securities and Exchange Commission (SEC) on September 30, 2011. (Change of principal office address from 22nd Floor Citibank Tower, 8741 Paseo De Roxas, Makati City to 35th Floor One Corporate Centre, Doña Julia Vargas cor. Meralco Ave., Brgy. San Antonio, Ortigas Center, Pasig City).
3. Amendment of Section 9-13 of the Article III of Corporation's By-Laws as amended at the meeting of the Board of Directors and stockholders held on December 16, 2004 and approved by SEC on September 30, 2011. [Formation of different committees (executive, audit, nomination, compensation and other board committees) including definition of duties and responsibilities].
4. Amendment of the Article I of the Articles of Incorporation (amending the name of the Corporation from Air Philippines International Corp. to Forum Pacific, Inc.) as amended at the meeting held by the Board of Directors held on May 2, 2000 and at the stockholders' meeting held on August 8, 2000 and approved by the SEC on November 20, 2000.

Item 18. Other Proposed Action

As of this report, there are no other matters which the Board of Directors intends to present or has reason to believe others will present at the meeting.

Item 19. Voting Procedures

(A) An affirmative vote by the stockholders owning at least a majority of the outstanding capital stock shall be sufficient for the approval of:

1. Minutes of the Previous Stockholders' Meeting held on July 21, 2025;
2. 2024 Audited Financial Statements;
3. Ratification of Corporate Acts of the Board of Directors and Officers of the corporation;
4. Appointment of External Counsels;
5. Appointment of External Auditors;
6. Any other proposed action

(B) An affirmative vote by the stockholders owning at least a majority of the outstanding capital stock and majority of the Board of Directors shall be sufficient to amend the By-Laws and adopt new By-Laws. As stated:

Article VII of the By-Laws also provides that the By-Laws may be amended or repealed by stockholders owning or representing a majority of the outstanding capital stock and by a majority of the Board of Directors at any regular meeting, or at any special meeting called for the purpose, or the Board of Directors may, in any regular or special meeting thereof amend or repeal these By-Laws or adopt new By-Laws, provided, however, that this power to amend, modify, repeal these By-Laws or adopt new By-Laws may be delegated to the Board of Directors by the affirmative vote of the stockholders representing not less than two-thirds of the outstanding capital stock, provided, however, that any such delegation of powers to the Board of Directors shall be considered as revoked whenever stockholders representing majority of the outstanding capital stock of the Corporation shall so vote at a regular or special meeting called for the purpose.

The method by which votes will be counted:

(C) The holders of the majority interest of all outstanding stocks of the Corporation entitled to vote at the meeting present in present or by proxy shall constitute a quorum for the transaction of business.

(D) The holders of common stock are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. For the election of directors, the counting will be cumulative. The counting of votes will be done by the Corporate Secretary with the assistance of the representative of the Company's Stock Transfer Agent, BDO Unibank, Inc. All votes attaching to the shares owned by stockholders whose proxies were received by the Company will be casted in accordance with the instructions given or authority granted under proxies.

The Corporate Secretary shall record all the votes and proceedings of the stockholders and of the Directors in a book kept for that purpose.

(E) Pursuant of SEC Memorandum Circular No. 6 series of 2020, the Board of Directors of Forum Pacific, Inc. has decided to conduct the annual stockholders' meeting via remote communication, specifically Zoom meeting application.

A stockholder who has the intention to participate in the Annual Stockholders' Meeting via remote communication or to exercise their vote in absentia or through proxy, should notify the Company by sending the required documents, such as proof of identity, ownership and other certification/information at forumpacific.asm@gmail.com from June 26 up to July 17, 2026 (5:00pm).

A Stockholder may opt to cast his/her vote/proxy during the registration or until July 17, 2026. Note that only the ballot/proxy form of a successful registrant will be counted as a valid vote. Stockholders whose shareholdings are lodged with the Philippine Central Depository are reminded to secure a certification of your shareholdings from your respective stockbrokers.

Once the stockholder submitted the requested documents through email, the Company will forward it to the Company's stock transfer agent, BDO, Unibank, Inc., for validation.

If confirmed, that all are true and correct, ballot/proxy form submitted will be counted as a valid vote and a successful registrant will receive the instructions on how to access the livestream and its invitation link to the Annual Stockholders Meeting. For unsuccessful registrant, he/she will receive, either an email or a call from the Company for any deficient/pending documents that needs to be submitted.

Only stockholders who notified the Company of their intention to participate in the virtual meeting and have registered themselves or their proxies will be included in the determination of quorum.

The full details of the registration and voting procedures will be available on the Company's website, **www.forumpacific.com/annualstockholdersmeeting.html**, on June 25, 2026.

We are not soliciting proxies.

Undertaking

Forum Pacific, Inc., as registrant will provide the stockholders of copy of SEC Form 17-A free of charge. Any written request for a copy of SEC Form 17-A shall be addressed to the Office of the Corporate Secretary c/o FORUM PACIFIC, INC., 35th Flr. One Corporate Center, Doña Julia Vargas Ave. cor. Meralco Ave., Ortigas Center, Pasig City, Philippines.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, correct and complete. This report is signed in the City of Pasig on June 10, 2026.

Forum Pacific, Inc.

By:



AMANDO J. PONSARAN, JR.
Corporate Secretary

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **Renato C. Franciso**, Filipino, of legal age and a resident of No. 8 Sparrow St., New Marikina Subdivision, Marikina City, after having been duly sworn in accordance with law do hereby declare that:

1. I am an Independent Director of **FORUM PACIFIC, INC.** since 2020.
2. I am affiliated with the following companies or organizations:

Company	Position	Period of Service
Philippine Estates Corporation	Independent Director	October 2020 – present
Acesite (Phils) Hotels Corporation	Independent Director	October 2020 – present
Sta. Lucia Land, Inc.	Independent Director	June 2023 – present
Waterfront Philippines, Inc.	Independent Director	October 2020 – present
Wellex Industries, Inc.	Independent Director	October 2021 - present

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

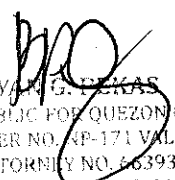
JUN 10 2026 **QUEZON CITY**

Done this _____ day _____, at _____


RENATO C. FRANCISCO
 Affiant

SUBSCRIBED AND SWORN TO before me this JUN 10 2026 at QUEZON CITY affiant exhibiting his Tax Identification No. 138-641-391 issued by the Bureau of Internal Revenue.

Doc. No. 461
 Page No. 03
 Book No. YUU
 Series of 7116


 ATTY. BRYAN G. DEKAS
 NOTARY PUBLIC FOR QUEZON CITY
 APR. MATTER NO. AP-171 VALID UNTIL DEC. 31, 2026
 ROLL OF ATTORNEY NO. 66393/TIN 289-467 753
 ISF NO. 576803 DECEMBER 30, 2025, QUEZON CITY
 MCLE NO. VII-0013054, VALID UNTIL 14/APR/2028
 PTR NO. 10436501, JANUARY 5, 2026, MARIKINA CITY
 603 EDSA DIAMOND FINANCE, CUBAO, Q.C.

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **Sergio Antonio S. Ortiz-Luis**, Filipino, of legal age and a resident of 151 10th Avenue cor. 3rd St., Riverside Village, Sta. Lucia, Pasig City, after having been duly sworn in accordance with law do hereby declare that:

- I am an Independent Director of **FORUM PACIFIC, INC.** since 2024.
- I am affiliated with the following companies or organizations:

Company	Position	Period of Service
The Events Hive	Sole Proprietor	2012 – present
Canadian Tourism and Hospitality Institute	Director	2015 – present
Arena Islands Beach Resorts, Inc.	Director/Vice President	2022 - present
Esports World Federation	Vice President	2022 - present
Philippine Chamber of Commerce and Industry Youth Committee	Vice Chairman	2022 – present
Philippine Young Entrepreneurs Association – NCR	President	2020 – present
First Kick for Peace	Vice President	2017 – present
Brick Traders	Proprietor	2019 – present
Wellex Industries, Inc.	Independent Director	2024 – present
Metro Alliance Holdings & Equities Corp.	Independent Director	July 2025 – present

- I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Forum Pacific, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its implementing Rules and Regulations and other SEC issuances.
- I am not related to any director/officer/substantial shareholder of **Forum Pacific, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation code.
- To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
- I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation code and its implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
- I shall inform the Corporate Secretary of **Forum Pacific, Inc.** of any changes in the above mentioned information within five days from its occurrence.

JUN 10 2025

QUEZON CITY

Done this _____ day _____, at _____




SERGIO ANTONIO S. ORTIZ-LUIS

QUEZON CITY Affiant

JUN 10 2025

SUBSCRIBED AND SWORN TO before me this _____ at _____, affiant exhibiting his Tax Identification No.243-083-810 issued by the Bureau of Internal Revenue.

Doc. No. 460
 Page No. 92
 Book No. XVII
 Series of 1006


 ATTY. BRYAN G. VELAS
 NOTARY PUBLIC FOR QUEZON CITY
 ADM. MATTER NO. NP-171 VALID UNTIL DEC. 31, 2026
 ROLL OF ATTORNEY NO. 56393/TIN 244 611 153
 IBP NO. 574803 DECEMBER 30, 2025, QUEZON CITY
 MCLE NO. VIII-0013054, VALID UNTIL 11-30-2026
 PTR NO. 1043501 JANUARY 5, 2026, MALABON CITY
 603 EDSA DIABLO FINANCE, CUBAO, Q.C.

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **Aristeo R. Cruz**, Filipino, of legal age and a resident of No. 4 Malhacan Road, Meycuayan City, Bulacan after having been duly sworn in accordance with law do hereby declare that:

1. I am an Independent Director of **FORUM PACIFIC, INC.** since 2021.
2. I am affiliated with the following companies or organizations:

Company	Position	Period of Service
Mecuayan College, Inc.	President / Director Vice Chairman of the Board Executive Vice President	September 2025 – present December 2011 – present October 2021 – September 2025
Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law Office)	Founding and Managing Partner	July 2007 – present
Liberty Bank (A Rural bank), Inc.	Vice President	July 2018 – present
Idealland Realty & Development Corp.	President and Chief Operating Officer (COO)	November 2009 – present
Philstar Innovation Realty Corp.	Director and Corp. Secretary	October 2011 – present
Statosphere Realty & Development Corp.	President and Chief Operating Officer (COO)	October 2011 – present
Jose & Luz Locsin Foundation	President	November 2012 – present
Justino Emilia Realty and Management & Dev't Corp	Corporate Secretary	March 2008 – present
Waterstreet Realty Corp.	President	June 2012 – present
Metro Alliance Holdings & Equities Corp.	Lead Independent Director Director	September 2015 – July 2024 July 2024 – present
Acesite Phils Hotel Corp.	Director	July 2021 – present
Waterfront Philippines, Inc.	Independent Director	July 2021 – present
Wellex Industries, Inc.	Independent Director	October 2021 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Forum Pacific, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of **Forum Pacific, Inc.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation code.

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A	N/A	N/A

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

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A	N/A	N/A

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

7. I shall inform the Corporate Secretary of Forum Pacific, Inc. of any changes in the above mentioned information within five days from its occurrence.

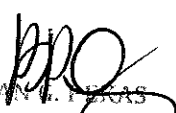
Done this JUN 10 2023 at QUEZON CITY


ARISTEO R. CRUZ

Affiant

SUBSCRIBED AND SWORN TO before me this JUN 10 2023 at QUEZON CITY affiant exhibiting his Tax Identification No. 108-672-299 issued by the Bureau of Internal Revenue.

Doc. No. 463
Page No. 93
Book No. XIII
Series of 2026


CITY, BRYAN E. PICAS
NOTARY PUBLIC FOR QUEZON CITY
SAL. MATTER NO. N-171 VALID UNTIL DEC. 31, 2026
ROLI OF ATTORNEY NO. 66393/TIN 289-~~457-753~~
JHC NO. 576803 DECEMBER 30, 2025, QUEZON CITY
MCLE NO. VIII-0013054, VALID UNTIL 14/APR/2028
PTR NO. 10438501, JANUARY 5, 2026, MARIKINA CITY
603 EDSA DIAMOND FINANCE, CUBAO, Q.C.

CERTIFICATION

I, AMANDO J. PONSARAN, JR., of legal age and with office address at Unit 3104 Antel Global Corporate Center, #3 Doña Julia Vargas Avenue, Ortigas Center, Pasig City, after being duly sworn to in accordance with law, do hereby certify:

I am the duly elected Corporate Secretary of FORUM PACIFIC, INC., a corporation duly organized and existing under Philippine laws with principal office at 35th Flr., One Corporate Center, Doña Julia Vargas Ave., cor. Meralco Ave., Ortigas Center, Pasig City (the "Corporation").

All incumbent directors and officers of the Corporation are not connected with any government agency or instrumentality, except for Atty. Lamberto B. Mercado, Jr. and Atty. Ruben D. Torres. Attached herewith is a copy of a certification issued by the Philippine National Construction Corporation, allowing/authorizing Atty. Lamberto B. Mercado, Jr. and Atty. Ruben D. Torres to be director in other corporations.

I execute this certification to comply with the requirements of the Securities and Exchange Commission.

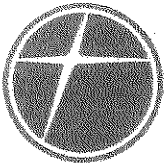
IN WITNESS WHEREOF, I have hereunto set my hand this JUN 19 0 2026 in the city of QUEZON CITY

AMANDO J. PONSARAN, JR.
Corporate Secretary

Subscribed and sworn to before me this JUN 19 0 2026 at QUEZON CITY, affiant exhibiting to me his TIN with No. 171-798-949-000.

Doc. No. 464
Page No. 43
Book No. XVII
Series of 2026

ATTY. BRYAN G. DELA ROSA
NOTARY PUBLIC FOR QUEZON CITY
ADM. MATTER NO. AP-1711 VALID UNTIL DEC. 31, 2025
ROLL OF ATTORNEYS NO. 13393/TIN 299-467-754
IBP NO. 576803 DECEMBER 30, 2025, QUEZON CITY
MCLE NO. VIII-0013081, VALID UNTIL 14/APR/2028
PTR NO. 10455501, JANUARY 5, 2026, MARINA CITY
603 EDSA DIAMOND FINANCE CLUB, Q.C.



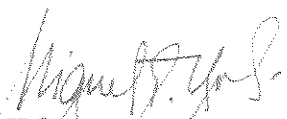
PHILIPPINE NATIONAL
CONSTRUCTION CORPORATION

CERTIFICATION

TO WHOM IT MAY CONCERN:

This is to certify that **ATTY. LAMBERTO B. MERCADO, JR.** is hereby allowed/authorized to occupy membership in the Board of Directors of other corporations provided such memberships do not conflict with his official function as member of the PNCC Board of Directors.

Done this 12th day of May 2026 in Bicutan, Parañaque City


MIGUEL E. UMALI
President and CEO / Vice-Chairman



PHILIPPINE NATIONAL
CONSTRUCTION CORPORATION

CERTIFICATION

TO WHOM IT MAY CONCERN:

This is to certify that **ATTY. RUBEN D. TORRES** is hereby allowed/authorized to occupy membership in the Board of Directors of other corporations provided such memberships do not conflict with his official function as member of the PNCC Board of Directors.

Done this 12th day of May 2026 in Bicutan, Parañaque City

A handwritten signature in black ink, appearing to read "Miguel E. Umali", is written over the printed name.

MIGUEL E. UMALI

President and CEO / Vice-Chairman

PART 2

MANAGEMENT REPORT AS REQUIRED BY SRC RULE 20 INCLUDING FINANCIAL INFORMATION FOR 1ST QUARTER OF 2026

BUSINESS AND GENERAL INFORMATION

1.) Brief Description of the General Nature and Scope of the Registrant's Business

Forum Pacific, Inc. (FPI) is a company incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 8, 1993, with a principal office at the 35th Floor One Corporate Center, Doña Julia Vargas Ave. corner Meralco Ave., Ortigas Center, Pasig City.

The shares of FPI are listed and traded in the Philippine Stocks Exchange or PSE. Formerly known as Air Philippines International Corporation, FPI was registered to engage in investing, purchasing and acquiring assets of any kind and description with the secondary purpose of engaging in the exploration, development and production of petroleum and related products, as well as other mineral and chemical substances.

Business Plans

To address the foregoing matters that may raise doubt on the Company's ability to continue as a going concern, the shareholders of the Company have committed in principle to provide full financial support to the Company in order to sustain its operations, meet the working capital requirements and settle obligations as they fall due.

The Company has been reviewing outstanding receivables and advances to affiliates and has designed collection programs to improve the Company's financial status. The board continues to evaluate calling for the remaining stock subscription as source of funds for future projects, with the aim of utilizing this process as a tool to fund capital intensive endeavors. The officers and major stockholders of the Company have committed to provide full financial support to the Company once its projects will materialize and a definite project is in place. The Company estimates that it will satisfy its capital funding within two (2) years from the finalization and approval of such business project plans.

The Company will prioritize the improvement of its financial position and exploring new business opportunities in oil and gas exploration and extraction, order to maintain strong and healthy cash flows, and at the same time, aspire for maximized potential earnings. However, the prospects are still undetermined, given the geo-political issues hounding territorial encroachment by the Chinese at the West Philippine Sea.

The management is currently discussing on how the Company will proceed with its remaining 33.33% capital stock investment in Forum Exploration, Inc., a subsidiary of Pangilinan-led Forum Energy Plc and the project operator for Libertad Gas Field or Service Contract (SC40). FEI has been keen on reexamining the oil and gas prospects for SC40, and a new series of drilling programs are currently underway in Cebu in an effort to refine drilling data and improving on previous information already gathered in the previous depth targets. FPI is confident that the new drilling programs will bear good fruit.

Recent discussions happened between FPI and FEI with regards to the entry of interested party, an Australian mining company, which expressed interest into investing in the current exploration of SC40. Discussions include capital and debt restructuring, financing, income distribution and timeline of operations.

On March 24, 2026, FEI's board has approved a resolution on the issuance of 561 million new common shares to accommodate the conversion of long-outstanding advances of Forum Energy Philippines Corporation (FEPCo), FEI's Parent Company, into new FEI equity at Php 1.00 par value. FPI has abstained from the voting and subscription to new common shares, thus, after FEI's completed its required documentation and regulatory filings, FPI will hold approximately 8.35% of the equity in FEI. Given the dilution of its share, FPI has not shell out any additional cost of investment

but will share in the future income of the exploration. The management believe that this is in the best interest of the Company to made such position.

Since the Company is affiliated with group of mining companies, projects in the mining sector are being re-evaluated at the moment. Despite the stringent evaluations being conducted by the Department of Environment and Natural Resources (DENR) for new mining applications, the government has also indicated that a revival of the industry is forthcoming, especially as a means to address the economic slowdown caused by the pandemic.

Business Focus for the Coming Year

The investment made during 2017 in Taguig Lake City Development Corporation, a corporation engaged in the real estate industry, is starting to show some results, now that the Laguna Lake Development Authority has responded positively to the Company's proposals to rehabilitate the Laguna de Bay. The Company will continue to support the progress of TLCDC in this regard.

On the other hand, given the growing requirements for power, the Company is actively looking into the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads. Demand and supply studies, as well as site feasibility analysis and the selection of green and clean coal technologies are being conducted by select engineering advisers of the Company. On the other hand, the Company is also considering investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power. The management is also conducting research and feasibility studies on various renewable projects, albeit utilizing more stringent investment hurdles, given that renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

The Company's management believes that such financial support and the discussed management plans are sufficient to provide the Company the ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

2.) Properties and Other assets

Forum Pacific Inc. carries financial assets at fair value. This account consists of:

	Forum Exploration, Inc. (FEI)	Philippine Estates Corp (PHES)	Taguig Lake City Dev't Corp	Total
Net carrying amount, December 31, 2024	₱53,211,573	₱12,800,122	₱12,500,000	₱78,511,695
Additions	-	-	-	-
Write-Off	-	-	-	-
Impairment loss	-	-	-	-
Unrealized fair value gain (loss)	(53,211,573)	3,262,776	(9,392,501)	(59,341,298)
Net carrying amount, December 31, 2025	₱-	₱16,062,898	₱3,107,499	₱19,170,397
Acquisition cost	₱73,211,573	₱7,529,480	₱12,500,000	₱93,241,053
Unrealized fair value gain (loss)	(73,211,573)	8,533,418	(9,392,501)	(74,070,656)
Accumulated impairment loss	-	-	-	-
Net carrying amount as of December 31, 2025	₱-	₱16,062,898	₱3,107,499	₱19,170,397

	Forum Exploration, Inc. (FEI)	Philippine Estates Corp (PHES)	Taguig Lake City Dev't Corp	Total
Net carrying amount, December 31, 2023	₱53,211,573	₱16,062,898	₱12,500,000	₱81,774,471
Additions	-	-	-	-
Write-Off	-	-	-	-
Impairment loss	-	-	-	-
Unrealized fair value gain (loss)	(53,211,573)	(3,262,776)	(9,392,501)	(65,866,850)
Net carrying amount, December 31, 2024	₱-	₱12,800,122	₱3,107,499	₱15,907,621
Acquisition cost	₱73,211,573	₱7,529,480	₱12,500,000	₱93,241,053
Unrealized fair value gain (loss)	(73,211,573)	5,270,642	(9,392,501)	(77,333,432)
Accumulated impairment loss	-	-	-	-
Net carrying amount as of December 31, 2024	₱-	₱12,800,122	₱3,107,499	₱15,907,621

Unquoted shares - Forum Exploration, Inc. (FEI) and Taguig Lake City Development Corporation (TLCDC)

These investment is classified as Financial Assets at FVOCI (net) as the Company does not participate in the financial and operating policy of the investee which manifests control or significant influence. As of December 31, 2025, FPI has 33.33% ownership in Forum Exploration, Inc. The investment in FEI is stated at cost less impairment loss since there is no quoted price in an active market. In 2017, the Company made an investment in Taguig Lake City Development Corporation. The Company believes that the carrying amount of these unquoted shares of stock approximate fair value.

Quoted shares - Philippine Estates Corporation (PHES)

This pertains to the Company's investment in 50,196,553 common shares which are registered and traded in the PSE and constitutes 3% ownership.

The fair value of PHES investment as of December 31, 2025 has been determined directly by reference to published prices in the active market. Consequently, an unrealized fair value loss was recognized amounting to ₱9,392,501 and charged to "other comprehensive income (loss)" account in the 2024 statements of comprehensive income and shown separately as "Unrealized fair value gain (loss) on financial assets at FVOCI" in equity.

The Company's financial assets at FVOCI as at December 31, 2025 and 2024 are not held as collateral for its financial liabilities.

3.) Risks

The Company is exposed to a variety of financial risks, which result from both its operating and financing activities. The Company's risk management is coordinated with the Board of Directors, and focuses on actively securing the short-term cash flows to finance its operation.

The Company's principal financial instruments comprise of cash, advances to related parties, financial assets at FVOCI, accounts payable and other liabilities (excluding local and other taxes and other liabilities to government agencies), lease liability and advances from a related party. The main purpose of these financial instruments is to raise financing for the Company's operations. The Company does not actively engage in trading of financial assets for speculative purposes nor does it have options.

The most significant financial risks to which the Company is exposed to are described below:

Credit risk

Credit risk refers to the risk that a counterparty will default its contractual obligation resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its financial assets which composed of cash and advances to related parties.

In order to minimize credit risk, the Company has developed and maintained internal credit risk gradings to categorize exposures according to their degree of risk of default. The Company uses its own trading records to rate its major customers and other debtors.

The Company current credit risk grade framework is as follows:

	Description	Basis for recognizing ECLs	Base	Minimum Allowance for credit losses	Stage
Performing	The counterparty has a low risk of default and does not have any past due amounts	12-month ECL	0%	0%	1
Doubtful	Amount is 1-30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit impaired	25%	1%	2
	Amount is 31-90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - not credit impaired	25%	5%	2
	Amount is 91-180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - not credit impaired	25%	10%	2
	Amount is 181-360 days past due or	Lifetime ECL	25%	25%	2

	there is evidence indicating the asset is credit-impaired	- not credit impaired			
In default	Amount is over 1 year to 2 years past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - not credit impaired	50%	25%	3
	Amount is over 2 years to 3 years past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - not credit impaired	100%	25%	3
	Amount is over 3 years to 5 years past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - not credit impaired	100%	50%	3
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is write off	100%	100%	3

The maximum credit risk exposure of the financial assets is the carrying amount of the financial assets shown on the face of statement of financial position, as summarized below:

		December 31, 2025		
	Basis of recognizing ECL	Gross carrying amount	Loss Allowance	Net carrying amount
Cash in bank		₱194,184	₱-	₱194,184
Advances to related parties, net of allowance	Lifetime ECL	488,141,419	(242,526,151)	245,615,268
		₱488,335,603	(₱242,526,151)	₱245,809,452

		December 31, 2024		
	Basis of recognizing ECL	Gross carrying amount	Loss Allowance	Net carrying amount
Cash in bank		₱91,574	₱-	₱91,574
Advances to related parties, net of allowance	Lifetime ECL	484,613,554	(242,526,151)	242,087,403
		₱484,705,128	(₱242,526,151)	₱242,178,977

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash as described below:

Cash in bank

The credit risk for cash in banks is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000.00 for every depositor per banking institution.

Advances to related parties

For advances to related parties, the Company has applied the simplified approach to measure the loss allowance using the management's adopted policy on ECL.

The management continues to review receivable from related parties for any legally enforceable right to offset with liabilities with the expressed intention of the borrower to settle on a net basis.

Impaired accounts represent account of related parties that have not paid for a while and for which the Company believes that a portion of the receivables may not be collected. The allowance is estimated based on the Company's estimate for accounts which it believes may no longer be collected.

As at December 31, 2025 and 2024, the Company has entered into an agreement with its related party to settle the advances (Note 11 of the Audited Financial Statements).

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company is mainly exposed to liquidity risk through its maturing liabilities. The Company has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

The Company manages liquidity risk through continuous collection of advances to related parties which is considered as cash inflow to finance its operation. The Company continuously monitoring forecast and actual cash flows and matching the maturity profiles of liabilities.

The details of the maturity analysis of the Company's liabilities are as follows:

December 31, 2025	Total	On demand	Less than 3 months	3-12 months	1-5 years
Account payable and other liabilities*	₱378,000	₱-	₱-	₱378,000	₱-
Lease Liability	46,930	-	-	46,930	-
Advances from related parties	4,874,984	-	-	-	4,874,984
	₱5,299,914	₱-	₱-	₱424,930	₱4,874,984

**excluding government liabilities*

December 31, 2024	Total	On demand	Less than 3 months	3-12 months	1-5 years
Account payable and other liabilities*	₱367,000	₱-	₱-	₱367,000	₱-
Lease Liability	184,838	-	-	137,908	46,930
Advances from related parties	4,796,623	-	-	-	4,796,623
	₱5,348,461	₱-	₱-	₱504,908	₱4,843,553

**excluding government liabilities*

The Company's current ratio for the year ended December 31, 2025 and 2024 is 0.07:1 and 0.04:1, respectively. This shows that for every peso of currently maturing liabilities, the Company has a fund of ₱0.07 and ₱0.04 in 2025 and 2024, respectively, to settle its obligations.

Equity price risk

Equity price risk is the risk that the fair value of equity instrument decreases as a result of changes in the value of individual stocks. The Company's exposure to equity price risk arises from investments held by the Company and classified in the Company's statements of financial position either as financial asset at FVOCI.

Equity instruments designated at FVOCI in listed and non-listed companies are held for strategic rather than trading purposes. The Company does not actively trade these investments. The Company also invested in portfolio of listed shares which are held for trading and has designated equity instrument in a non-listed Company at FVOCI.

If the price of the financial assets at FVOCI had been 10% higher/lower, the other comprehensive income for the years ended December 31, 2025 and 2024 would decrease/increase by ₱1,917,040 and ₱1,590,762, respectively.

Foreign currency risk

The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to the U.S. dollars. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The Company is mainly exposed to foreign currency risk through its advances from a related party of \$82,922 which amounted to ₱4,874,984 and ₱4,796,623 as at December 31, 2025 and 2024, respectively.

The sensitivity rate used on reporting foreign currency risk internally to key management personnel is 10% and it represents management's assessment of reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary

assets and liabilities and adjusts their translation at the period end for a 10% in foreign exchange rates. A positive number indicates an increase in net income when the Philippine peso strengthens at 10% against the relevant currency. For 10% weakening of the Philippine peso against the relevant currency, there would be an equal and opposite impact on the net income.

If foreign exchange rates had been 10% higher/lower, the net loss before tax would decrease/increase by \$8,292 in 2025 and 2024, respectively. Equity for the years ended December 31, 2025 and 2024 would decrease/increase by \$6,219.

Capital Risk Objective and Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern.

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

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including accounts payable and other liabilities, lease liability and advances from a related party as shown in the statements of financial position) less cash. Total capital is calculated as equity as shown in the statements of financial position plus net debt.

Gearing ratio compares some form of owner's equity to borrowed funds. It is a measure of financial leverage demonstrating the degree to which the Company's activities are funded by owner's funds versus creditors' funds.

The gearing ratios as at December 31 were as follows:

	2025	2024
Debt	₱8,357,656	₱8,451,227
Cash	(191,184)	(91,574)
Net debt	8,163,472	8,359,653
Equity	256,721,529	249,904,751
Gearing ratio	0.032:1	0.033:1

The Company is subject to externally imposed capital requirement amounting to ₱6,250,000 which is the minimum paid-up capital requirement of SEC for mining companies. As at December 31, 2025 and 2024, the Company is in compliance with this externally imposed capital requirement.

Fair Value Information

Assets measured at fair value

The following table gives information about how the fair values of the Company's assets and liabilities, which are measured at fair value at the end of each reporting period, are determined (in particular, the valuation technique(s) and inputs used).

	Fair Value as at December		Fair Value Hierarchy	Valuation Techniques
	2025	2024		
Financial assets at FVOCI				
Quoted	₱16,062,898	₱12,800,122	Level 1	Quoted bid prices in an active market
Unquoted	3,107,499	3,107,499	Level 3	Adjusted net asset method
	₱19,170,397	₱15,907,621		

Assets and liabilities not measured at fair value

The following table gives information about how the fair values of the Company's assets and liabilities, which are not measured at fair value but the fair values are disclosed at the end of each reporting period, are determined.

	2025		2024		Fair value hierarchy	Valuation techniques
	Carrying Value	Fair Value	Carrying Value	Fair Value		
Financial Assets						
Advances to related parties	₱245,615,268	₱233,832,228	₱242,087,403	₱228,002,331	Level 3	Discounted value of future cash flows
Financial Liabilities						
Lease Liability	-	-	46,930	44,200	Level 3	Discounted value of future cash flows
Advances from related a party	4,874,984	4,641,114	4,796,623	4,517,547	Level 3	Discounted value of future cash flows
	₱4,874,984	₱4,641,114	₱4,843,553	₱4,567,747		

For the long-term financial assets and liabilities, the fair value of the non-interest bearing noncurrent assets and liabilities are determined based on the discounted value of future cash flows using the prevailing credit adjusted PH BVAL for 2024 and 2023 that are specific to the tenor of the instruments' cash flow as at reporting date. Discount rates used are 5.0391% in 2025 and from 6.1776% in 2024.

The carrying amounts of cash and accounts payable and other liabilities (excluding liabilities to government agencies), current portion of lease liability approximate their fair values due to the relatively short term maturities of these financial instruments.

4.) Legal Proceedings

A case of illegal dismissal and claims for unpaid salaries, back wages, separation pay and damages was filed by an employee (logistic coordinator), on February 1996. The respondents on the said case are James Dale Hood, Air Philippines International (Formerly), Cophil Exploration & Drilling Co., Air Philippines International, Inc. and Forum Exploration, Inc. The management has its lawyer take care of the settlement and will plan to meet with the Sheriff or labor officer in-charge with the case. As of December 31, 2025, the claimant didn't make any demands or appeared before the Company's principal office address to enforce the said writ of execution.

5.) Submission of Matters to a Vote of Security Holders

There was no matter submitted to a vote of security holders during 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

A copy of the Audited Financial Statements as of December 31, 2025 and Unaudited First Quarter of 2026 Financial Statements are herein attached.

PLAN OF OPERATION

The following discussion and analysis should be read in conjunction with the accompanying financial statements and related notes as of December 31, 2025, 2024 and 2023, included elsewhere in this Annual Report. Our financial statements, and the financial information discussion below, have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Forum Pacific, Inc. suffered losses for the past years due to uncertainties caused by the global economic crisis in 2008. As the Philippine GDP slowed in the first half of 2009, oil exploration activities were reconsidered by global investors. In consequence, the feasibility of continuing operations under existing drilling service contracts were severely put into question. However, management believes that the going concern assumption is appropriate despite the existence of material uncertainty caused by recurring substantial losses of the Company. The Company incurred income/(losses) amounting to ₱3,014,002, (₱18,451,199) and ₱2,567,245 in 2025, 2024 and 2023, respectively. To continue as going concern, the officers and major stockholders of the Company has committed to provide full financial support to the Company to sustain its operations, meet the working capital requirements and settle obligations as they fall due.

Business Plans

The Company is cautiously hopeful that the business environment will start to grow in the foreseeable future. For the coming year 2025, the Company plans to undertake the following:

- Continuously support the progress of Taguig Lake City Development Corporation (TLCDC) on its prospect projects. The Company observed a positive response from Laguna Lake Development Authority on the TLCDC's proposals to rehabilitate Laguna De Bay.
- Further scan for business target projects, and welcome other business opportunities from different industries apart from oil and gas and mineral exploration.
- Evaluate potential buyers to buy out investment with Forum Exploration, Inc. or enter into partnership with potential buyers.
- Explore opportunities in the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads.
- Conduct demand and supply studies, as well as feasibility analysis and the selection of green and clean coal technologies are being conducted by select engineering advisers of the Company.
- Consider investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power.
- Conduct research and feasibility studies on renewable projects, albeit utilizing more stringent investment hurdles, given that renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

The Company's management believes that such financial support and its business plans are sufficient to provide the Company the ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Financial Highlights

The following table shows the comparative operating data and financial statements of the Company for the years ending December 31, 2025, 2024 and 2023.

<i>Income Statement</i>	2025	2024	2023
Revenues	₱-	₱-	₱-
Cost and Expenses	2,460,947	2,469,340	2,253,286
Gross Profit (Loss)	(2,460,947)	(2,469,340)	(2,253,286)
Other income (expenses)	6,360,830	(15,084,460)	5,765,784
Finance Cost	(12,092)	(13,581)	(6,651)
Net income (loss) before tax	3,887,791	(17,567,381)	3,505,847
Benefit from (provision for) income tax			
Current	873,429	884,336	938,400
Deferred	360	(518)	200
Net income (loss) for the year	₱3,014,002	(₱18,451,199)	₱2,567,245
Other comprehensive loss:			
Unrealized gain (loss) on AFS financial asset	3,262,776	(65,866,850)	(2,760,810)
Total comprehensive income (loss) for the year	₱6,276,778	(₱84,318,049)	(₱193,565)
Earnings (loss) per share	₱0.003	(₱0.016)	₱0.002

<i>Balance Sheet</i>	2025	2024	2023
Current Assets	₱ 236,297	₱ 132,787	₱ 134,054
Noncurrent Assets	264,842,888	258,223,191	342,230,331
Total Assets	₱ 265,079,185	₱ 258,355,978	₱ 342,364,385
Current Liabilities	3,471,300	3,562,185	3,538,316
Noncurrent Liabilities	4,886,356	4,889,042	4,603,269
Total Liabilities	₱ 8,357,656	₱ 8,451,227	₱ 8,141,585
Capital Stock	1,208,083,621	1,207,543,621	1,207,543,621
Unrealized fair value loss on financial assets at FVOCI	(54,070,656)	(57,333,432)	8,533,418
Deficit	(861,234,686)	(864,248,688)	(845,797,489)
Treasury shares	(36,056,750)	(36,056,750)	(36,056,750)
Total Equity	256,721,529	249,904,751	334,222,800
Total Liabilities and Equity	₱ 265,079,185	₱ 258,355,978	₱ 342,364,385

Calendar Year Ended December 31, 2025 vs. Calendar Year Ended December 31, 2024

Key Performance Indicators

The company determines its performance on the following five (5) indicators:

1. Advances to Related Parties – currently, The Wellex Group, Inc. (TWGI), one of the company's major stockholders, is funding all operational expenses of the Company. Total advances added/(deducted) as of December 31, 2025 and 2024 are (₱3,107,330) and (₱3,623,291) (excluding interest income on the loans to TWGI amounting to ₱5,933,195 and ₱5,933,195 in 2025 and 2024), respectively.
2. Current Ratios - current assets against the current liabilities of the Company. It measures the company's ability to pay short-term obligations. Current ratio for the year 2025 is 6.81% and 3.73% for 2024. A significant increase in the ratio by 3.08% was mainly due to net increase in current assets of ₱103,510 and decrease in current liabilities of ₱80,885 in 2025. The net decrease is composed of cash flows from operating, investing and financing activities.
3. Cash Ratio - the most conservative liquidity ratio. It excludes all current assets except the most liquid: cash and cash equivalents. It measures the amount of cash and cash equivalents there are in the current assets to cover current liabilities. The cash ratio of the company for the year 2025 is 5.59% and 2.57% for 2024. Same with the current ratio, decrease in cash ratio was due to decrease in cash resulting from the Company's cash flows from operating, investing and financing activities and increase in current liabilities.
4. Debt ratio - it is one of the financial leverage ratios which measure the extent to which the firm is using long term debt. Formula is total debt divided by total assets. Debt ratio for the year 2025 is 3.15% and 3.27% for 2024.
5. Debt-to-equity ratio - the formula is total debt divided by total equity. It indicates what proportion of equity and debt that the company is using to finance its assets. The debt to equity ratio for the year 2025 is 3.26% and 3.38% for 2024.

Indicator	2025	2024
Advances ratio	0.98%	1.16%
Current ratio	6.81%	3.73%
Cash ratio	5.59%	2.57%
Debt ratio	3.15%	3.27%
Debt-to-equity ratio	3.26%	3.38%

CHANGES IN RESULTS OF OPERATION

Revenues and Earnings per share

Since the company ceased to have control over Express Savings Bank, Inc. and still banking on new petroleum and gas service contracts, the company has no revenues recorded in the year 2025, 2024 and 2023.

The company incurred income/(losses) of ₱3.01 million, (₱18.5) million and ₱2.6 million in 2025, 2024 and 2023, respectively. Income/(Loss) per share for 2025, 2024 and 2023 were ₱0.003, (₱0.016) and ₱0.002, respectively. The company charges interest income on its advances to related parties which is one of the company's source of other income. Additionally, in line with the plan for the next twelve months, the Board will continue to explore business opportunities to aspire for maximized potential earnings and also banks on its business investment in Forum Exploration, Inc., the project operator for Libertad Gas Field or Service Contract (SC40).

Cost and Expenses

Cost and expenses consisted primarily of professional fees, management fee, membership fee and dues, depreciation, publication fee, utilities, donation, taxes and licenses, transportation, office supplies and miscellaneous. For the years 2025 and 2024 amounts recorded were ₱2.5 million and ₱2.5 million, respectively, with almost the same incurred expenses for both years.

Other Income (Expenses) and Finance Cost

This account is composed of interest income in advances to related parties and cash in bank, unrealized

foreign exchange gain (loss), recovery on (provision for) impairment of input tax and finance cost and provision for impairment on advances to related parties.

The Company recorded a recovery of allowance for impairment of input tax amounting to ₱505,959 and ₱508,246 for the year 2025 and 2024, respectively. Unrealized foreign exchange gain/(loss) for 2025 and 2024 are (₱78,361) and (₱205,232), respectively. It arises from the fluctuation of Peso to U.S. dollar exchange rates on the Company's payable to FEI, Ltd. amounting to \$82,922 as of December 31, 2025.

Interest income in banks for 2025, 2024 and 2023 amounted to ₱37, ₱98 and ₱122, respectively. The company reported interest income in advances to related parties in 2025, 2024 and 2023 amounting to ₱5,933,195, ₱5,933,195 and ₱5,933,195, respectively.

The Company also reported a Finance cost in 2025, 2024 and 2023 amounted to ₱12,092, ₱13,581 and ₱6,651, respectively, which computed from from right-of-use asset.

For the year 2025 and 2024, the company recorded a provision for impairment on its receivables from an affiliate, The Wellex Group, Inc. in the amount of nil and ₱21,320,767, respectively due to assessment that portion of the receivable is more likely unrecoverable.

CHANGES IN FINANCIAL CONDITION

ASSETS

Cash

Cash in bank carries interest at respective bank deposit rate. For the year 2025 and 2024, the total cash and cash equivalents were ₱194,184 and ₱91,574, respectively. Cash in bank generally earns interest at annual rates based on daily bank deposit rates of 0.0625% per annum in 2025 and 2024. Interest income earned from bank deposits were ₱37, ₱98 and ₱122 for the years ended December 31, 2025, 2024 and 2023, respectively.

Prepayments and other current assets

The account is composed of advances to officers and employees and other assets amounting to ₱42,113 and input tax of ₱1,819,487 with full valuation allowance for impairment as of December 31, 2025. Input VAT decreased by ₱505,959 or 21.76% in 2025 due to offsetting against output tax from interest income recorded for the year.

Input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide potential uncollectible portion of the claims. The Company, on a continuing basis, makes a review of the status has no outstanding balance for the year ended December 31, 2025 and 2024. The Company has provided full valuation allowance on all its input tax for 2023 as it sees no economic use for it in the future. During 2025 and 2024, the company, pursuant to the revenue regulations issued by the Bureau of Internal Revenue (RR No.3-2024), don't recognized provision for impairment on input VAT but recorded a recovery of allowance instead. Balance of input VAT was offset to output VAT from interest income recorded during the year.

Advances to related parties (net)

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured and partially impaired. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting arrangement. This account consists of advances to Forum Exploration, Inc. (FEI) and The Wellex Group, Inc. (TWGI). Total amount recorded for the year 2025 and 2024 (net of allowance for impairment loss of ₱242,526,151 and ₱242,526,151) were ₱245,615,268 and ₱242,087,403, respectively. Increased by ₱3,527,865 or 1.44% is due to net effect of (1) interest income earned from related parties of ₱5,933,195; (2) additional advances by ₱2,405,330; and (3) provision for impairment of nil.

Advances to TWGI

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. The maturity was extended for another five years of until December 15, 2030. Accrued interest receivable for this promissory note amounted to ₱29,913,191 and ₱23,979,996 as at December 31, 2025 and 2024, respectively.

To settle the outstanding advances, the Company entered into the following contracts with TWGI, which in return, amounts incurred will be applied to the outstanding advances:

1. The Company leases an office space from TWGI starting May 2014. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been renewed four times since then and is currently valid until April 30, 2026. Total rental and utilities expense charged to operations amounted to ₱222,000 for both years ended December 31, 2025 and 2024, respectively.
2. In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed five times since then and is currently valid until April 30, 2026. Total management fee charged to operations amounted to ₱480,000 for both years ended December 31, 2025 and 2024, respectively.

The Company originally provide allowance for impairment on advances to TWGI prior to agreements entered into to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

Advances to FEI

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company in 2007. Outstanding balance for the years ended December 31, 2025 and 2024 amounted to ₱171,631,076, gross of allowance for impairment loss. The Company recognized full impairment loss on this advances, as review on the FEI financial status and operations showed an unlikely possibility of collection.

Service Contract (SC) 40

FEI is a legal and owner of 100% interest in Service Contract (SC) 40, an upstream oil and gas contract area in the Philippines, entered into with the Philippine Government through the Department of Energy. Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MMSCF) and 78.66 MMSCF since the start of production in 2012.

FEI has also implemented Work Program and Budget as approved by DOE last November 17, 2014 which includes, among others, a commitment to perform land gravity survey over the Dalingding Structure starting March 2015. Since 2014, FEI has performing geological and geophysical study aimed to identify and prioritize highly prospective areas for future exploration.

In June 2022, FEI contracted a drilling consultant to prepare a drilling program and budgets for two (2) wells, one of which will be located in the Dalingding Prospect, a reef structure defined by seismic with the Late Miocene to Pliocene-age Barili Limestone as the primary target. A well, Dalingding-1, was drilled in this structure in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 1,508 ft. FEI's recent re-evaluation of the prospect concluded that Dalingding-1 did not reach the Barili target, which is currently estimated at 1,830 ft, or 480 ft. below the well's final depth. A new well is proposed to be drilled down to 2,760 ft to reach the Barili Limestone.

An Independent Technical Evaluation involving a review of available data, project risking, and project economics of the Dalingding Prospects was completed during the first quarter of 2024. The results indicate that deterministic and probabilistic volumetric estimates for the prospect show mean resources of 10 billion cubic feet ("BCF") for a gas case and 3.5 million barrels of oil ("MMBO") for an Oil case.

In early 2024, the DOE approved FEI's proposal to conduct a magnetotelluric ("MT") survey to further evaluate the Dalingding Prospect. The survey aimed to define the top of the carbonate buildup and help its depth from the surface.

MT equipment testing and data acquisition in Daanbantayan, Cebu commenced on June 14, 2024, and was completed on September 2, 2024. A total of 30 stations were acquired on two (2) parallel lines oriented in a NW-SE direction, and 20 stations on one (1) perpendicular line oriented in a NE-SW direction.

On December 23, 2024, the proposed WP&B for 2025 was submitted to the DOE. It has a firm program that includes the continuation and finalization of the MT survey data processing and interpretation, as well as the technical re-evaluation of the Dalingding Prospect, wherein the MT data will be integrated with existing geological, geophysical, and well data.

The evaluation of the MT data was completed in April 2025. The results successfully mapped the presence of a reef boundary, presumably the Barili Limestone, identified through sharp resistivity contrasts with surrounding formations. However, the interpreted reef depth and thickness of the overlying seal vary, possibly due to data interpolation effects, as a significant amount of cultural noise had to be removed during the interpretation process.

A data integration study was carried out by FEI following receipt of the MT report; which was completed in June 2025. The subsurface resistivity data derived from the MT method show that resistivity can vary laterally within a formation, reflecting the differences in its physical properties. When combined with other geophysical methods, MT data can provide a more comprehensive understanding of subsurface geology. The study also concludes that, while seismic remains the primary tool for defining prospect structures, MT-derived resistivity can aid in predicting porosity and fluid type within seismically delineated geologic body. By integrating data from multiple geophysical tools and sources, the porosity distribution on the Barili Limestone surface was successfully estimated and mapped.

The Company is positive on FEI's on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at December 31, 2025 and 2024, FEI has not yet returned the value of the exploration assets that the Company transferred.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) (net)

Financial Assets at Fair Value Through Other Comprehensive Income as at December 31 consist of:

	2025	2024
Unquoted shares		
Balance at beginning of the year	₱65,711,573	₱65,711,573
Unrealized fair value loss	(62,604,074)	(62,604,074)
	3,107,499	3,107,499
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	8,533,418	5,270,642
	16,062,898	12,800,122
	₱19,170,397	₱15,907,621

Unquoted shares - Forum exploration, Inc (FEI) and Taguig Lake City Development Corporation (TLCDC)

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. and Taguig Lake City Development Corporation as at December 31, 2025. These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee which manifests control, joint control or significant influence. These Company believes the carrying amount of these unquoted shares of stock approximate fair value.

Quoted shares - Philippine Estates Corporation (PHES)

Investment in quoted shares of stock represents investment in Philippine Estates Corporation (PHES), a publicly listed company. The Company owns 50,196,553 common shares and constitutes 3.47% ownership in PHES. The fair value of these shares has been determined directly by reference to published prices in the active market.

Right-Of-Use Asset (net)

Right-of-use asset are the asset that represents lessee's right to use an asset over the lease term. The Company recognized a right-of-use asset as a result of adoption of PFRS 16. The carrying amount of right-of-use asset is ₱45,490 and ₱181,957 as of 2025 and 2024, respectively. Based on the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at December 31, 2025 and 2024 (Note 8).

Deferred Tax Asset

The Company has an outstanding balance of Deferred Tax Asset amounting to ₱11,733 and ₱46,210 as of December 31, 2025 and 2024, respectively (Note 14).

LIABILITIES

Accounts Payable and other liabilities

These accounts consist of Accounts Payable, Withholding Tax Payable, Accrued Expense and Deferred Output VAT accounts. Total amounted recorded for 2025 and 2024 were to ₱2,550,491 and ₱2,539,941 respectively, with an increase by ₱11,000 or 0.43% due to increase in accrued expenses and withholding tax payable.

Lease Liability

The Company recognized the asset as 'right-of-use asset' and corresponding lease liability (current and non-current) with present value of ₱46,930 and ₱184,838 as of December 31, 2025 and 2024, respectively or a decreased by ₱137,908 or 74.61% (Note 11) as the lease term is set for renewal on April 2026.

Advances from Affiliate

Advances from Forum Exploration, Inc. Ltd. (FEI – Ltd.)

The Company received cash advances from Forum (FEI) Ltd. to finance its acquisition of 60% stockholdings of Forum Coal Cebu Holdings, Inc. (FCCHI; Company's subsidiary which was formally dissolved last July 6, 2012). The Company received USD denominated cash advances from FEI, Ltd. with no definite terms of payment. Outstanding balance of account as of December 31, 2025 and 2024 were ₱4,874,984 and ₱4,796,623 respectively. The company recognized unrealized foreign exchange gain (loss) of ₱78,361 and ₱205,232 as of December 31, 2025 and 2024, respectively.

Deferred Tax Liability

The Company has an outstanding balance of Deferred Tax Liability amounting to ₱11,372 and ₱45,489 as of December 31, 2025 and 2024, respectively (Note 14).

Financial Highlights

The following table shows the comparative operating data and financial statements of the Company for the years ending December 31, 2024, 2023 and 2022.

<i>Income Statement</i>	2024	2023	2022
Revenues	₱–	₱–	₱–
Cost and Expenses	2,469,340	2,253,286	2,190,963
Gross Profit (Loss)	(2,469,340)	(2,253,286)	(2,190,963)
Other income	6,441,539	5,965,242	5,933,353
Other expense	(21,539,580)	(206,109)	(626,641)
Net income (loss) before tax	(17,567,381)	3,505,847	3,115,749
Benefit from (provision for) income tax			
Current	884,336	938,400	279,347
Deferred	(518)	202	(63,825)
Net income (loss) for the year	(₱18,451,199)	₱2,567,245	₱2,900,227
Other comprehensive loss:			
Unrealized gain (loss) on AFS financial asset	(65,866,850)	(2,760,810)	(6,776,535)
Total comprehensive income (loss) for the year	(84,318,049)	(193,565)	(3,876,308)
Earnings (loss) per share	(₱0.016)	₱0.002	₱0.002

<i>Balance Sheet</i>	2024	2023	2022
Current Assets	₱ 132,787	₱ 134,054	₱ 314,213
Noncurrent Assets	258,223,191	342,230,331	340,997,679
Total Assets	₱ 258,355,978	₱ 342,364,385	₱ 341,311,892
Current Liabilities	3,562,185	3,538,316	2,176,375
Noncurrent Liabilities	4,889,042	4,603,269	4,719,152
Total Liabilities	₱ 8,451,227	₱ 8,141,585	₱ 6,895,527
Capital Stock	1,207,543,621	1,207,543,621	1,207,543,621
Unrealized fair value loss on financial assets at FVOCI	(57,333,432)	8,533,418	11,294,228
Deficit	(864,248,688)	(845,797,489)	(848,364,734)
Treasury shares	(36,056,750)	(36,056,750)	(36,056,750)
Total Equity	249,904,751	334,222,800	334,416,365
Total Liabilities and Equity	₱ 258,355,978	₱ 342,364,385	₱ 341,311,892

Calendar Year Ended December 31, 2024 vs. Calendar Year Ended December 31, 2023

Key Performance Indicators

The company determines its performance on the following five (5) indicators:

1. Advances to Related Parties – currently, The Wellex Group, Inc. (TWGI), one of the company's major stockholders, is funding all operational expenses of the Company. Total advances added/(deducted) as of December 31, 2024 and 2023 are (₱3,623,291) and (₱2,463,357) (excluding interest income on the loans to TWGI amounting to ₱5,933,195 and ₱5,933,195 in 2024 and 2023), respectively.
2. Current Ratios - current assets against the current liabilities of the Company. It measures the company's ability to pay short-term obligations. Current ratio for the year 2024 is 3.73% and 3.79% for 2023. A significant decrease in the ratio by 0.06% was mainly due to net decrease in current assets of ₱1,257 and increase in current liabilities of ₱23,869 in 2024. The net decrease is composed of cash flows from operating, investing and financing activities.
3. Cash Ratio - the most conservative liquidity ratio. It excludes all current assets except the most liquid: cash and cash equivalents. It measures the amount of cash and cash equivalents there are in the current assets to cover current liabilities. The cash ratio of the company for the year 2024 is 2.57% and 2.71% for 2023. Same with the current ratio, decrease in cash ratio was due to decrease in cash resulting from the Company's cash flows from operating, investing and financing activities and increase in current liabilities.
4. Debt ratio - it is one of the financial leverage ratios which measure the extent to which the firm is using long term debt. Formula is total debt divided by total assets. Debt ratio for the year 2024 is 2.47% and 2.38% for 2023.
5. Debt-to-equity ratio - the formula is total debt divided by total equity. It indicates what proportion of equity and debt that the company is using to finance its assets. The debt to equity ratio for the year 2024 is 2.53% and 2.44% for 2023.

Indicator	2024	2023
Advances ratio	1.38%	0.95%
Current ratio	3.73%	3.79%
Cash ratio	2.57%	2.71%
Debt ratio	2.47%	2.38%
Debt-to-equity ratio	2.53%	2.44%

CHANGES IN RESULTS OF OPERATION

Revenues and Earnings per share

Since the company ceased to have control over Express Savings Bank, Inc. and still banking on new petroleum and gas service contracts, the company has no revenues recorded in the year 2024, 2023 and 2022.

The company incurred income/(losses) of (₱18.5 million), ₱2.6 million and ₱2.9 million in 2024, 2023 and 2022, respectively. Income/(Loss) per share for 2024, 2023 and 2022 were (₱0.016), ₱0.002 and ₱0.002, respectively. The company charges interest income on its advances to related parties which is one of the company's source of other income. Additionally, in line with the plan for the next twelve months, the Board will continue to explore business opportunities to aspire for maximized potential earnings and also banks on its business investment in Forum Exploration, Inc., the project operator for Libertad Gas Field or Service Contract (SC40).

Cost and Expenses

Cost and expenses consisted primarily of professional fees, management fee, membership fee and dues, depreciation, publication fee, utilities, donation, taxes and licenses, transportation, office supplies and miscellaneous. For the years 2024 and 2023 amounts recorded were ₱2.5 million and ₱2.3 million, respectively.

Increase of ₱0.2 million or 8.70% is mainly attributable to the net effect of increase in professional fees by ₱0.2 million, increase in taxes and licenses by ₱0.04 million, decrease in depreciation expense by ₱0.01

million, decrease in membership fees and dues by ₱0.01 million, decrease in miscellaneous and other expenses by ₱0.02 million.

Other Income (Expenses) and Finance Cost

This account is composed of interest income in advances to related parties and cash in bank, unrealized foreign exchange gain (loss), recovery on (provision for) impairment of input tax and finance cost and provision for impairment on advances to related parties.

For 2024, the Company recorded a recovery of allowance for impairment of input tax amounting to ₱508,246 and allowance for impairment of input tax amounting to ₱199,458 for the year 2023. Unrealized foreign exchange gain/(loss) for 2024 and 2023 are (₱205,232) and ₱31,925, respectively. It arises from the fluctuation of Peso to U.S. dollar exchange rates on the Company's payable to FEI, Ltd. amounting to \$82,922 as of December 31, 2024.

Interest income in banks for 2024, 2023 and 2022 amounted to ₱98, ₱122 and ₱158, respectively. The company reported interest income in advances to related parties in 2024, 2023 and 2022 amounting to ₱5,933,195, ₱5,933,195 and ₱5,933,195, respectively.

The Company also reported a Finance cost in 2024, 2023 and 2022 amounted to ₱13,581, ₱6,651 and ₱14,789, respectively.

During 2024, the company recorded a provision for impairment on its receivables from an affiliate, The Wellex Group, Inc. in the amount of ₱21,320,767 due to assessment that portion of the receivable is more likely unrecoverable.

CHANGES IN FINANCIAL CONDITION

ASSETS

Cash

Cash in bank carries interest at respective bank deposit rate. For the year 2024 and 2023, the total cash and cash equivalents were ₱91,574 and ₱95,841, respectively. On July 19, 2012, the Board of Directors approved the opening of a deposit account with Banco De Oro-Meralco Ave. - Branch to facilitate the collection and disbursement processes of the company.

Prepayments and other current assets

The account is composed of advances to officers and employees and other assets amounting to ₱41,213 and input tax of ₱2,325,446 with full valuation allowance for impairment as of December 31, 2024. Input VAT decreased by ₱508,246 or 17.94% in 2024 due to offsetting against output tax from interest income recorded for the year.

Input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide potential uncollectible portion of the claims. The Company, on a continuing basis, makes a review of the status has no outstanding balance for the year ended December 31, 2024 and 2023. The Company has provided full valuation allowance on all its input tax for 2023 as it sees no economic use for it in the future. During 2024, the company, pursuant to the revenue regulations issued by the Bureau of Internal Revenue (RR No.3-2024), don't recognized provision for impairment on input VAT but recorded a recovery of allowance instead. Balance of input VAT was offset to output VAT from interest income recorded during the year.

Advances to related parties (net)

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured and partially impaired. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting arrangement. This account consists of advances to Forum Exploration, Inc. (FEI) and The Wellex Group, Inc. (TWGI). Total amount recorded for the year 2024 and 2023 (net of allowance for impairment loss of ₱242,526,151 and ₱221,205,384) were ₱242,087,403 and ₱260,396,266, respectively. Decreased by ₱18,308,863 or 7.03% is due to net effect of (1) interest income earned from related parties of ₱5,933,195; (2) additional advances by ₱3,623,291; and (3) provision for impairment of ₱21,320,767.

Advances to TWGI

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2%

per annum. Accrued interest receivable for this promissory note amounted to ₱23,979,996 and ₱18,046,801 as at December 31, 2024 and 2023, respectively.

To settle the outstanding advances, the Company entered into the following contracts with TWGI, which in return, amounts incurred will be applied to the outstanding advances:

1. The Company leases an office space from TWGI starting May 2014. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been renewed four times since then and is currently valid until April 30, 2026. Total rental and utilities expense charged to operations amounted to ₱222,000 for both years ended December 31, 2024 and 2023, respectively.
2. In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed five times since then and is currently valid until April 30, 2026. Total management fee charged to operations amounted to ₱480,000 for both years ended December 31, 2024 and 2023, respectively.

The Company originally provide allowance for impairment on advances to TWGI prior to agreements entered into to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

Advances to FEI

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company in 2007. Outstanding balance for the years ended December 31, 2024 and 2023 amounted to ₱171,631,076, gross of allowance for impairment loss. The Company recognized an additional impairment loss amounting to nil in 2024 and 2023, as review on the FEI financial status and operations showed an unlikely possibility of collection.

FEI is a legal and owner of 100% interest in Service Contract (SC) 40, an upstream oil and gas contract area in the Philippines, entered into with the Philippine Government through the Department of Energy. Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MMSCF) and 78.66 MMSCF since the start of production in 2012.

FEI has also implemented Work Program and Budget as approved by DOE last November 17, 2014 which includes, among others, a commitment to perform land gravity survey over the Dalingding Structure starting March 2015. Since 2014, FEI has performing geological and geophysical study aimed to identify and prioritize highly prospective areas for future exploration.

In 2019, FEI engaged the services of an operations geologist to prepare the geological program and prospect montage for the Dalingding-2 well, which will be drilled over the Dalingding Prospect, a reefal structure defined by seismic that has the Barili Limestone as the primary target. A well, Dalingding-1, was drilled by Cophil Exploration in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 1,508 ft. Following FEI's recent re-evaluation of the prospect, it was concluded that Dalingding-1 did not reach the Barili target, which is estimated at 1,740 ft, or 232 ft below the well's total depth. The current plan is to drill a well down to at least 4,000 ft to penetrate the Barili and secondary targets underneath.

In June 2022, FEI contracted a drilling consultant to prepare a drilling program and budgets for two (2) wells, one of which will be located in the Dalingding Prospect, a reef structure defined by seismic with the Late Miocene to Pliocene-age Barili Limestone as the primary target. A well, Dalingding-1, was drilled in this structure in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 1,508 ft. FEI's recent re-evaluation of the prospect concluded that Dalingding-1 did not reach the Barili target, which is currently estimated at 480 ft. below the well's final depth. FEI proposes drilling Dalingding-2 down to 4,000 ft to reach the Barili Limestone and secondary targets underneath.

In August 2022, FEI contracted a third party for the disposal of the Hycalog Rig and ancillary equipment stored in Brgy. Maya, Daanbantayan, Cebu Province. The sale process started on September 13, 2022 of which a Luzon-based company offered the highest bid. The pull-out of the items began in December 2022 and was completed in June 2023.

An Independent Technical Evaluation involving a review of available data, project risk management, and project economics of the Maya and Dalingding Prospects started in the first quarter of 2023. The initial

findings show that the deterministic and probabilistic volumetric estimates for the Dalingding Prospect indicate mean resources of 10 billion cubic feet (“BCF”) for a gas case and 3.5 MMBO for an oil case. The study, included prospect risking and economics, was completed in 1Q 2024.

The 2024 Work Program and Budget (WP&B) and Annual Procurement Plan (APP) for SC40 was submitted to the Department of Energy (DOE) last December 22, 2023 and was approved by DOE on January 03, 2024. Details of the magnetotelluric survey, which is scheduled to begin in May 2024, were submitted to the DOE last March 27, 2024.

The Company is positive on FEI’s on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at December 31, 2024 and 2023, FEI has not yet returned the value of the exploration assets that the Company transferred.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) (net)

Financial Assets at Fair Value Through Other Comprehensive Income as at December 31 consist of:

	2024	2023
Unquoted shares		
Balance at beginning of the year	₱65,711,573	₱65,711,573
Unrealized fair value loss	(62,604,074)	–
	3,107,499	65,711,573
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	5,270,64	8,533,418
	12,800,122	16,062,898
	₱15,907,621	₱81,774,471

Unquoted shares - Forum exploration, Inc (FEI) and Taguig Lake City Development Corporation (TLCDC)

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. and Taguig Lake City Development Corporation as at December 31, 2024. These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee which manifests control, joint control or significant influence. These Company believes the carrying amount of these unquoted shares of stock approximate fair value.

Quoted shares - Philippine Estates Corporation (PHES)

Investment in quoted shares of stock represents investment in Philippine Estates Corporation (PHES), a publicly listed company. The Company owns 50,196,553 common shares and constitutes 3.47% ownership in PHES. The fair value of these shares has been determined directly by reference to published prices in the active market.

Right-Of-Use Asset (net)

Right-of-use asset are the asset that represents lessee’s right to use an asset over the lease term. The Company recognized a right-of-use asset as a result of adoption of PFRS 16. The carrying amount of right-of-use asset is ₱181,957 and ₱47,513 as of 2024 and 2023, respectively. Based on the impairment review of the Company’s right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at December 31, 2024 and 2023 (Note 8).

Deferred Tax Asset

The Company has an outstanding balance of Deferred Tax Asset amounting to ₱46,210 and ₱12,081 as of December 31, 2024 and 2023, respectively (Note 14).

LIABILITIES

Accounts Payable and other liabilities

These accounts consist of Accounts Payable, Withholding Tax Payable, Accrued Expense and Deferred Output VAT accounts. Total amounted recorded for 2024 and 2023 were to ₱2,539,941 and ₱2,551,593 respectively, with a decrease by ₱11,652 or 0.46% due to decreased in accrued expenses and withholding tax payable.

Lease Liability

The Company recognized the asset as 'right-of-use asset' and corresponding lease liability (current and non-current) with present value of ₱184,838 and ₱48,323 as of December 31, 2024 and 2023, respectively or an increase by ₱136,515 or 282.51% (Note 11).

Advances from Affiliate

Advances from Forum Exploration, Inc. Ltd. (FEI – Ltd.)

The Company received cash advances from Forum (FEI) Ltd. to finance its acquisition of 60% stockholdings of Forum Coal Cebu Holdings, Inc. (FCCHI; Company's subsidiary which was formally dissolved last July 6, 2012). The Company received USD denominated cash advances from FEI, Ltd. with no definite terms of payment. Outstanding balance of account as of December 31, 2024 and 2023 were ₱4,796,623 and ₱4,591,391 respectively.

Deferred Tax Liability

The Company has an outstanding balance of Deferred Tax Liability amounting to ₱45,489 and ₱11,878 as of December 31, 2024 and 2023, respectively (Note 14).

Financial Highlights

The following table shows the comparative operating data and financial statements of the Company for the years ending December 31, 2023, 2022 and 2021.

<i>Income Statement</i>	2023	2022	2021
Revenues	₱–	₱–	₱–
Cost and Expenses	2,253,286	2,190,963	2,098,754
Gross Profit (Loss)	(2,253,286)	(2,190,963)	(2,098,754)
Other income	5,965,242	5,933,353	5,933,510
Other expense	(206,109)	(626,641)	(458,408)
Net income (loss) before tax	3,505,847	3,115,749	3,376,348
Benefit from (provision for) income tax			
Current	938,400	279,347	58,096
Deferred	202	(63,825)	1,199
Net income (loss) for the year	₱2,567,245	₱2,900,227	₱3,317,053
Other comprehensive loss:			
Unrealized gain (loss) on AFS financial asset	(2,760,810)	(6,776,535)	4,266,708
Total comprehensive income (loss) for the year	(193,565)	(3,876,308)	7,583,761
Earnings (loss) per share	₱0.002	₱0.002	₱0.003

<i>Balance Sheet</i>	2023	2022	2021
Current Assets	₱ 134,054	₱ 314,213	₱ 333,880
Noncurrent Assets	342,230,331	340,997,679	343,564,598
Total Assets	₱ 342,364,385	₱ 341,311,892	₱ 343,898,478
Current Liabilities	3,538,316	2,176,375	1,367,259
Noncurrent Liabilities	4,603,269	4,719,152	4,238,546
Total Liabilities	₱ 8,141,585	₱ 6,895,527	₱ 5,605,805
Capital Stock	1,207,543,621	1,207,543,621	1,207,543,621
Unrealized fair value loss on financial assets at FVOCI	8,533,418	11,294,228	18,070,763
Deficit	(845,797,489)	(848,364,734)	(851,264,961)
Treasury shares	(36,056,750)	(36,056,750)	(36,056,750)
Total Equity	334,222,800	334,416,365	338,292,673
Total Liabilities and Equity	₱ 342,364,385	₱ 341,311,892	₱ 343,898,478

Calendar Year Ended December 31, 2023 vs. Calendar Year Ended December 31, 2022

Key Performance Indicators

The company determines its performance on the following five (5) indicators:

1. Advances to Related Parties – currently, The Wellex Group, Inc. (TWGI), one of the company's major stockholders, is funding all operational expenses of the Company. Total advances added/(deducted) as of December 31, 2023 and 2022 are ₱4,171,838 and ₱4,020,477 (net of

interest income on the loans to TWGI amounting to ₱5,933,195 and ₱5,933,195 in 2023 and 2022), respectively.

2. Current Ratios - current assets against the current liabilities of the Company. It measures the company's ability to pay short-term obligations. Current ratio for the year 2023 is 3.79% and 14.44% for 2022. A significant decrease in the ratio by 10.65% was mainly due to net cash decrease of ₱180,159 and increase in current liabilities of ₱1.4M in 2023. The net decrease is composed of cash flows from operating, investing and financing activities.
3. Cash Ratio - the most conservative liquidity ratio. It excludes all current assets except the most liquid: cash and cash equivalents. It measures the amount of cash and cash equivalents there are in the current assets to cover current liabilities. The cash ratio of the company for the year 2023 is 2.71% and 12.68% for 2022. Same with the current ratio, decrease in cash ratio was due to decrease in cash resulting from the Company's cash flows from operating, investing and financing activities and increase in current liabilities.
4. Debt ratio - it is one of the financial leverage ratios which measure the extent to which the firm is using long term debt. Formula is total debt divided by total assets. Debt ratio for the year 2023 is 2.38% and 2.02% for 2022.
5. Debt-to-equity ratio - the formula is total debt divided by total equity. It indicates what proportion of equity and debt that the company is using to finance its assets. The debt to equity ratio for the year 2023 is 2.44% and 2.06% for 2022.

Indicator	2023	2022
Advances ratio	1.33%	1.37%
Current ratio	3.79%	14.44%
Cash ratio	2.71%	12.68%
Debt ratio	2.38%	2.02%
Debt-to-equity-ratio	2.44%	2.06%

CHANGES IN RESULTS OF OPERATION

Revenues and Earnings per share

Since the company ceased to have control over Express Savings Bank, Inc. and still banking on new petroleum and gas service contracts, the company has no revenues recorded in the year 2023, 2022 and 2021.

The company incurred income/(losses) of ₱2.6 million, ₱2.9 million and ₱3.3 million in 2023, 2022 and 2021, respectively. Income/(Loss) per share for 2023, 2022 and 2021 were ₱0.002, ₱0.002 and ₱0.003, respectively. The company charges interest income on its advances to related parties which is one of the company's source of other income. Additionally, in line with the plan for the next twelve months, the Board will continue to explore business opportunities to aspire for maximized potential earnings and also banks on its business investment in Forum Exploration, Inc., the project operator for Libertad Gas Field or Service Contract (SC40).

Cost and Expenses

Cost and expenses consisted primarily of professional fees, management fee, membership fee and dues, depreciation, publication fee, utilities, donation, taxes and licenses, transportation, office supplies and miscellaneous. For the years 2023 and 2022 amounts recorded were ₱2.3 million and ₱2.2 million, respectively.

Increase of ₱62,323 or 4.55% is mainly attributable to the net effect of increase in professional fees by ₱54,000, increase in depreciation expense by ₱ 9,134, increase in membership fees and dues by ₱12,100, decrease in publication fee by ₱15,087 and increase in miscellaneous and other expenses by ₱2,176.

Other Income (Expenses) and Finance Cost

This account is composed of interest income in advances to related parties and cash in bank, unrealized foreign exchange gain (loss), provision for impairment of input tax and finance cost.

For 2023 and 2022, the Company provided an allowance for impairment of input tax amounting to ₱199,458 and ₱217,487, respectively. Unrealized foreign exchange gain/(loss) for 2023 and 2022 are ₱31,925 and (₱394,365), respectively. It arises from the fluctuation of Peso to U.S. dollar exchange rates on the Company's payable to FEI, Ltd. amounting to \$82,922 as of December 31, 2023.

Interest income in banks for 2023, 2022 and 2021 amounted to ₱121, ₱158 and ₱315, respectively. The company reported interest income in advances to related parties in 2023, 2022 and 2021 amounting to ₱5,933,195, ₱5,933,195 and ₱5,933,195, respectively.

The Company also reported a Finance cost in 2023, 2022 and 2021 amounted to ₱6,651, ₱14,789 and ₱31,433, respectively.

CHANGES IN FINANCIAL CONDITION

ASSETS

Cash

Cash in bank carries interest at respective bank deposit rate. For the year 2023 and 2022, the total cash and cash equivalents were ₱95,841 and ₱276,000, respectively. On July 19, 2012, the Board of Directors approved the opening of a deposit account with Banco De Oro-Meralco Ave. - Branch to facilitate the collection and disbursement processes of the company.

Prepayments and other current assets

The account is composed of advances to officers and employees and other assets amounting to ₱38,213 and input tax of ₱2,833,692 with provision for valuation allowance of the same amount for the year December 31, 2023. Input VAT increase by ₱199,458 or 7.57% in 2023.

Input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide potential uncollectible portion of the claims. The Company, on a continuing basis, makes a review of the status has no outstanding balance for the year ended December 31, 2023 and 2022. The Company has provided full valuation allowance on all its input tax for 2023 and 2022 as it sees no economic use for it in the future.

Advances to related parties (net)

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured and partially impaired. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting arrangement. This account consists of advances to Forum Exploration, Inc. (FEI) and The Wellex Group, Inc. (TWGI). Total amount recorded for the year 2023 and 2022 (net of allowance for impairment loss of ₱221,205,384 and ₱221,205,384) were ₱260,396,266 and ₱256,224,428, respectively. Increase by ₱4,171,838 million or 1.63% is due to interest income earned from related parties.

Advances to TWGI

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to ₱18,046,801 and ₱12,113,606 as at December 31, 2023 and 2022, respectively.

To settle the outstanding advances, the Company entered into the following contracts with TWGI, which in return, amounts incurred will be applied to the outstanding advances:

1. The Company leases an office space from TWGI starting May 2014. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been renewed four times since then and is currently valid until April 30, 2024. Total rental and utilities expense charged to operations amounted to ₱222,000 for both years ended December 31, 2023 and 2022, respectively.
2. In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed five times since then and is

currently valid until April 30, 2024. Total management fee charged to operations amounted to ₱480,000 for both years ended December 31, 2023 and 2022, respectively.

The Company originally provide allowance for impairment on advances to TWGI prior to agreements entered into to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

Advances to FEI

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company in 2007. Outstanding balance for the years ended December 31, 2023 and 2022 amounted to ₱171,631,076, gross of allowance for impairment loss. The Company recognized an additional impairment loss amounting to nil in 2023 and 2022, as review on the FEI financial status and operations showed an unlikely possibility of collection.

FEI is a legal and owner of 100% interest in Service Contract (SC) 40, an upstream oil and gas contract area in the Philippines, entered into with the Philippine Government through the Department of Energy. Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MMSCF) and 78.66 MMSCF since the start of production in 2012.

FEI has also implemented Work Program and Budget as approved by DOE last November 17, 2014 which includes, among others, a commitment to perform land gravity survey over the Dalingding Structure starting March 2015. Since 2014, FEI has performing geological and geophysical study aimed to identify and prioritize highly prospective areas for future exploration.

In 2019, FEI engaged the services of an operations geologist to prepare the geological program and prospect montage for the Dalingding-2 well, which will be drilled over the Dalingding Prospect, a reefal structure defined by seismic that has the Barili Limestone as the primary target. A well, Dalingding-1, was drilled by Cophil Exploration in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 1,508 ft. Following FEI's recent re-evaluation of the prospect, it was concluded that Dalingding-1 did not reach the Barili target, which is estimated at 1,740 ft, or 232 ft below the well's total depth. The current plan is to drill a well down to at least 4,000 ft to penetrate the Barili and secondary targets underneath.

In June 2022, FEI contracted a drilling consultant to prepare a drilling program and budgets for two (2) wells, one of which will be located in the Dalingding Prospect, a reef structure defined by seismic with the Late Miocene to Pliocene-age Barili Limestone as the primary target. A well, Dalingding-1, was drilled in this structure in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 1,508 ft. FEI's recent re-evaluation of the prospect concluded that Dalingding-1 did not reach the Barili target, which is currently estimated at 480 ft. below the well's final depth. FEI proposes drilling Dalingding-2 down to 4,000 ft to reach the Barili Limestone and secondary targets underneath.

In August 2022, FEI contracted a third party for the disposal of the Hycalog Rig and ancillary equipment stored in Brgy. Maya, Daanbantayan, Cebu Province. The sale process started on September 13, 2022 of which a Luzon-based company offered the highest bid. The pull-out of the items began in December 2022 and was completed in June 2023.

An Independent Technical Evaluation involving a review of available data, project risk management, and project economics of the Maya and Dalingding Prospects started in the first quarter of 2023. The initial findings show that the deterministic and probabilistic volumetric estimates for the Dalingding Prospect indicate mean resources of 10 billion cubic feet ("BCF") of gas. The study is currently focusing on prospect risking and economics.

The 2024 Work Program and Budget (WP&B) and Annual Procurement Plan (APP) for SC40 was submitted to the Department of Energy (DOE) last December 22, 2023 and was approved by DOE on January 03, 2024. Details of the magnetotelluric survey, which is scheduled to begin in May 2024, were submitted to the DOE last March 27, 2024.

The Company is positive on FEI's on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at December 31, 2023 and 2022, FEI has not yet returned the value of the exploration assets that the Company transferred.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) (net)

Financial Assets at Fair Value Through Other Comprehensive Income as at December 31 consist of:

	2023	2022
Unquoted shares		
Balance at beginning of the year	₱65,711,573	₱65,711,573
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	8,533,418	11,294,228
	16,062,898	18,823,708
	₱81,774,471	₱84,535,281

Unquoted shares - Forum exploration, Inc (FEI) and Taguig Lake City Development Corporation (TLCDC)

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. and Taguig Lake City Development Corporation as at December 31, 2023. These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee which manifests control, joint control or significant influence. These Company believes the carrying amount of these unquoted shares of stock approximate fair value.

Quoted shares - Philippine Estates Corporation (PHES)

Investment in quoted shares of stock represents investment in Philippine Estates Corporation (PHES), a publicly listed company. The Company owns 50,196,553 common shares and constitutes 3.47% ownership in PHES. The fair value of these shares has been determined directly by reference to published prices in the active market.

Right-Of-Use Asset (net)

Right-of-use asset are the asset that represents lessee's right to use an asset over the lease term. The Company recognized a right-of-use asset as a result of adoption of PFRS 16. The carrying amount of right-of-use asset is ₱47,513 and ₱190,052 as of 2023 and 2022, respectively. Based on the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at December 31, 2023 and 2022 (Note 8).

Deferred Tax Asset

The Company has an outstanding balance of Deferred Tax Asset amounting to ₱12,081 and ₱47,918 as of December 31, 2023 and 2022, respectively (Note 14).

LIABILITIES

Accounts Payable and other liabilities

These accounts consist of Accounts Payable, Withholding Tax Payable, Accrued Expense and Deferred Output VAT accounts. Total amounted recorded for 2023 and 2022 were to ₱2,551,593 and ₱1,817,955 respectively, with an increase by ₱733,638 or 40.36% due mostly to the Deferred Output VAT reported amounting to ₱2,165,616 in 2023.

Lease Liability

The Company recognized the asset as 'right-of-use asset' and corresponding lease liability (current and non-current) with present value of ₱48,323 and ₱191,672 as of December 31, 2023 and 2022, respectively or a decrease by ₱143,349 or 74.79% (Note 11).

Advances from Affiliate

Advances from Forum Exploration, Inc. Ltd. (FEI – Ltd.)

The Company received cash advances from Forum (FEI) Ltd. to finance its acquisition of 60% stockholdings of Forum Coal Cebu Holdings, Inc. (FCCHI; Company's subsidiary which was formally dissolved last July 6, 2012). The Company received USD denominated cash advances from FEI, Ltd. with no definite terms of payment. Outstanding balance of account as of December 31, 2023 and 2022 were ₱4,591,391 and ₱4,623,316 respectively.

Deferred Tax Liability

The Company has an outstanding balance of Deferred Tax Liability amounting to ₱11,878 and ₱47,513 as of December 31, 2023 and 2022, respectively (Note 14).

Undertaking

Forum Pacific, Inc., as registrant, will provide the stockholders a copy of Annual Report (SEC Form 17-A) free of charge. Any written request for a copy of Annual Report shall be addressed to the Office of the Corporate Secretary c/o Forum Pacific, Inc., 35th Flr., One Corporate Centre, Doña Julia Vargas Ave. cor. Meralco Ave., Ortigas Center, Pasig City. A copy of the report will also be downloaded in the Company Website.

Interim Period as of Quarter Ended March 31, 2026

The following are the discussions for the interim report covering the period for the 1st quarter ended March 31, 2026.

Financial Highlights

□ Unaudited Income Statements

	January – March 2026	January – March 2025	January – March 2024
Revenues	₱–	₱–	₱–
Less: Costs and Expenses	685,703	609,341	642,024
Loss from Operation	(685,703)	(609,341)	(642,024)
Add: Other income (expenses)	(141,780)	52,663	(141,897)
Loss before Income Tax	(827,483)	(556,678)	(783,921)
Income Tax Expense	–	–	–
Net Loss for the quarter	(827,483)	(556,678)	(783,921)
Loss per share	(₱0.0007)	(₱0.0005)	(₱0.0007)

□ Unaudited Balance Sheets

	As of March 31, 2026	As of March 31, 2025	As of December 31, 2025
Assets	₱263,768,759	₱259,442,162	₱265,079,185
Liabilities	8,376,679	8,337,211	8,357,656
Stockholders' Equity	255,392,080	251,104,951	256,721,529
Total Liabilities & Stockholders' Equity	₱263,768,759	₱259,442,162	₱265,079,185

Interim quarter ended March 31, 2026 compared with quarter ended March 31, 2025

Key Performance Indicators are:

1. Advances to Related Parties – currently, The Wellex Group, Inc. (TWGI), one of the company's major stockholders, is funding all operational expenses of the Company. Total advances added/(deducted) as of March 31, 2026 and 2025 are (₱879,124) and (₱725,725), respectively.
2. Current Ratios – current assets against the current liabilities of the Company. It measures the Company's ability to pay short-term obligations. Current Ratio for the 1st Quarter of 2026 and 2025 are 9.17% and 5.36%, respectively.
3. Cash Ratio – the most conservative liquidity ratio. It excludes all current assets except the most liquid – cash and cash equivalents. It measures the amount of cash and cash equivalents there are in the current assets to cover current liabilities. The cash ratio of the company for the 1st Quarter of 2026 and 2025 are 5.42% and 1.82%, respectively.
4. Debt ratio - it is one of the financial leverage ratios which measure the extent to which the firm is using long term debt. Formula is total debt divided by total assets. Debt ratio for the 1st Quarter of 2026 and 2025 are 3.18% and 3.21%, respectively.

5. Debt-to-equity ratio - The formula is total debt divided by total equity. It indicates what proportion of equity and debt that the Company is using to finance its assets. The debt to equity ratio for the 1st Quarter of 2026 and 2025 are 3.28% and 3.32%, respectively.

Indicator	2026	2025
Advances ratio	0.28%	0.23%
Current ratio	9.17%	5.36%
Cash ratio	5.42%	1.82%
Debt ratio	3.18%	3.21%
Debt-to-equity ratio	3.28%	3.32%

RESULTS OF OPERATION

Revenues and Loss per share

Since the Company is exploring new business opportunities given the volatile situation of metal and oil prices in the global market, the Company has no revenues for the 1st quarter of 2026 and 2025.

The Company incurred losses of ₱0.8 million and ₱0.6 million for quarters ended March 31, 2026 and 2025, respectively. Loss per share for the 1st quarter of 2026 and 2025 were ₱0.0007 and ₱0.0005, respectively. In line with the plan for the next twelve months, the Board continue to explore business opportunities to aspire for maximized potential earnings.

Costs and Expenses

Costs and expenses for the 1st Quarter consisted primarily of dues and subscriptions, professional fees, rental, storage, taxes and licenses, transportation and miscellaneous.

Costs and expenses recorded for the 1st quarter of 2026 and 2025 were ₱685,703 and ₱609,341, respectively. Increase by ₱76,362 or 12.53% is due to increase in business permit paid for the 1st quarter and miscellaneous expense comprised of penalty paid to SEC for the company's noncompliance with the IACGR submission for the year 2022.

The Company has incurred other income/(expenses) amounting to (₱141,780) and ₱52,663 in the 1st quarter of 2026 and 2025, respectively. This is due to unrealized foreign exchange loss recorded for the 1st quarter of 2026 of ₱141,796 due to a higher USD to PHP conversion rate on the company's liability to affiliate. On the other hand, reported unrealized foreign gain for the 1st quarter of 2025 was ₱52,663 due to lower USD to PHP conversion rate on such liability to affiliate.

FINANCIAL CONDITION

Current Assets

Current assets consist of cash in bank, input tax and other current assets. Cash in bank carries interest at respective bank deposit rate. On July 19, 2012, the Board of Directors approved the opening of a deposit account with Banco De Oro to facilitate the collection and disbursement processes of the Company. Input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide potential uncollectible portion 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.

Balance of cash in bank as of March 31, 2026 and 2025 were ₱181,535 and ₱63,708, respectively. Starting April 27, 2024, pursuant to the revenue regulations issued by the Bureau of Internal Revenue (RR No.3-2024) prohibiting deferral of VAT, the company don't recognized provision for impairment of input VAT during the 1st quarter of 2026. Input VAT balance net of allowance for the quarter ended March 31, 2026 and 2025 were ₱82,213 and ₱80,897, respectively. The Company assessed that recorded balance of input VAT can now be used to offset against output VAT derived from recording interest income of advances at the 4th quarter of the year. Other current asset amounting to ₱38,213 for both quarters ended March 31, 2026 and 2025 pertains to cash in bank placed under garnishment in relation to labor case of previous employee filed against the company.

Non-Current Assets

Related Party Transaction Account

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured, non-interest bearing and with no definite terms of repayment period. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting.

Related Parties	Relationship	Outstanding Balance	
		March 31, 2026	March 31, 2025
The Wellex Group, Inc.	Common key management	₱315,631,220	₱312,256,753
Forum Exploration, Inc.	Common key management	171,631,076	171,631,076
Forum GSEC 101 Ltd.	Common key management	(5,016,781)	(4,743,968)

A. Advances to The Wellex Group, Inc. (TWGI)

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. The term of the loan was extended for another five (5) years or until December 15, 2030 at the same interest rate per annum. Accrued interest receivable for this promissory note amounted to ₱29,913,191 and ₱23,979,996 as at March 31, 2026 and 2025, respectively.

However, the Company entered into the following contracts with TWGI, which in return, amounts incurred by the former will be used to settle the outstanding advances:

- The Company leases an office space in May 2014 from The Wellex Group, Inc. (TWGI) located at the 35th Floor One Corporate Centre, Doña Julia Vargas Ave. corner Meralco Ave., Ortigas Center, Pasig City. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been rented four times since then and is currently valid until April 30, 2026. Office space quarterly rental including storage room usage and utilities is ₱55,500, exclusive of VAT and withholding tax for both periods ended March 31, 2026 and 2025.

The Company recognized the asset as 'right-of-use asset' and corresponding lease liability.

- In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed fifth times since then and is currently valid until April 30, 2026. Total management fee charged to operations amounted to ₱120,000 for both periods ended March 31, 2026 and 2025.

The Company had provided allowance for ECL on advances to TWGI prior to agreements entered into to settle the outstanding advances. Allowance for ECL is evaluated annually based on historical data and current condition of TWGI adjusted with forward looking information. Allowance for ECL will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

The carrying amount of advances to TWGI as at March 31 as follows:

	2026	2025
Advances	₱315,631,220	₱312,256,753
Allowance for impairment loss	(70,895,077)	(70,895,077)
Net carrying amount	₱244,736,143	₱241,361,676

The Company originally provides allowance for impairment amounting to ₱70,895,077 for both quarters ended March 31, 2026 and 2025, on advances to TWGI prior to agreements entered to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

B. Advances to Forum Exploration Inc. (FEI)

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company. Outstanding balance for the quarters ended March 31, 2026 and 2025 amounted to ₱171,631,076 for both quarters with full valuation allowance for impairment loss as follows:

	2026	2025
Advances	₱171,631,076	₱171,631,076
Allowance for impairment loss	(171,631,076)	(171,631,076)
Net carrying amount	₱-	₱-

The basis of providing full allowance for impairment loss on these advances was FEI's assessment that the value of exploration assets was already utilized in previous drilling and exploration activities done by FEI. In the event that these exploration assets will be converted into commercial producing units, a reversal of allowance for impairment will be made and an arrangement for collection of this advances will be discussed. The Company remains positive on FEI's success on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at March 31, 2026 and 2025, FEI has not yet returned the value of the exploration assets that the Company transferred.

C. Advances from FORUM GSEC 101 Ltd. (Forum Exploration, Inc Ltd)

The Company received USD denominated cash advances from Forum (FEI), Ltd. amounted to \$82,922 with no definite terms of payment and will be settled in USD. Balance as at March 31 as follows:

	2026	2025
At beginning of year	₱4,874,985	₱4,796,623
Allowance for impairment loss	141,796	52,655
Net carrying amount	₱5,016,781	₱4,743,968

Financial Assets at FVOCI (net)

Financial Assets at FVOCI as at March 31 consist of:

	2026	2025
Unquoted shares		
Balance at beginning and end of the quarter	₱65,711,573	₱65,711,573
Unrealized fair value loss	(62,604,073)	(62,604,073)
	3,107,500	3,107,500
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	8,031,451	7,027,520
	15,560,931	14,557,000
	₱18,668,431	₱17,664,500

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. (FEI) and Taguig Lake City Development Corporation (TLCDC). These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee which manifest control, joint control or significant influence. The Company believes that the carrying amount of these unquoted shares of stock approximates fair value.

Investment in quoted shares of stock represents ownership investment in Philippine Estates Corporation (PHES), a publicly listed Company. The fair value of these shares has been determined directly by reference to published prices in the active market

The Company's financial assets at FVOCI as at March 31, 2026 and 2025 are not held as collateral for its financial liabilities.

Right-Of-Use Asset (net)

Right-of-use asset are the asset that represents lessee's right to use an asset over the lease term. The carrying amount of right-of-use asset is ₱45,490 and ₱181,957 as of March 31, 2026 and 2025, respectively or a decrease by ₱136,467 or 75% due to renewal of lease contract.

The recognition of right-of-use asset has a corresponding lease liability. The present value of the lease liability – current amounted to ₱46,930 and ₱137,908 in March 31, 2026 and 2025, respectively, with a decrease by ₱90,978 or 66% and lease liability – noncurrent amounting to nil and ₱46,930 in March 31, 2026 and 2025, respectively. The right-of-use of asset is nearing its end of use term with option to renew for another 3 years.

Based in the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at March 31, 2026 and 2025.

Remuneration to key management personnel

With the Company's tight cash position, management decided to suspend any form of compensation given to key management personnel for the periods ended March 31, 2026 and 2025.

Others

The administrative function of the Company is performed by its related party, TWGI.

Current liabilities

This is primarily consisting of accounts payable and other current liabilities (including payable for retainer fees of legal counsels, quarterly website maintenance, accrued expenses, withholding taxes payable and deferred output VAT), lease liability – current and income tax payable. Total outstanding balance as at March 31, 2026 and 2025 amounted to ₱3,348,526 and ₱3,500,824, respectively or a decrease by ₱152,298 or 4.35%. This is mainly due to net effect of increase in accounts payable by ₱51,412, decrease in income tax payable by ₱10,907, increase in accrued expense by ₱1,000 and decrease in other current liabilities by ₱90,979.

Interim Period as of Quarter Ended March 31, 2025

The following are the discussions for the interim report covering the period for the 1st quarter ended March 31, 2025.

Financial Highlights

□ Unaudited Income Statements

	January – March 2025	January – March 2024	January – March 2023
Revenues	₱–	₱–	₱–
Less: Costs and Expenses	609,341	642,024	568,207
Loss from Operation	(609,341)	(642,024)	(568,207)
Add: Other income (expenses)	52,663	(141,897)	35,795
Loss before Income Tax	(556,678)	(783,921)	(532,412)
Income Tax Expense	–	–	–
Net Loss for the quarter	(556,678)	(783,921)	(532,412)
Loss per share	(₱0.0005)	(₱0.0007)	(₱0.0005)

□ Unaudited Balance Sheets

	As of March 31, 2025	As of March 31, 2024	As of December 31, 2024
Assets	₱259,442,162	₱342,040,821	₱258,355,978
Liabilities	8,337,211	8,099,978	8,451,227
Stockholders' Equity	251,104,951	333,940,843	249,904,751
Total Liabilities & Stockholders' Equity	₱259,442,162	₱342,040,821	₱258,355,978

Interim quarter ended March 31, 2025 compared with quarter ended March 31, 2024

Key Performance Indicators are:

1. Advances to Related Parties – currently, The Wellex Group, Inc. (TWGI), one of the company's major stockholders, is funding all operational expenses of the Company. Total advances added/(deducted) as of March 31, 2025 and 2024 are (₱725,725) and (₱1,772,820), respectively.
2. Current Ratios – current assets against the current liabilities of the Company. It measures the Company's ability to pay short-term obligations. Current Ratio for the 1st Quarter of 2025 and 2024 are 5.36%% and 31.61%, respectively.
3. Cash Ratio – the most conservative liquidity ratio. It excludes all current assets except the most liquid – cash and cash equivalents. It measures the amount of cash and cash equivalents there are in the current assets to cover current liabilities. The cash ratio of the company for the 1st Quarter of 2025 and 2024 are 1.82% and 30.33%, respectively.
4. Debt ratio - it is one of the financial leverage ratios which measure the extent to which the firm is using long term debt. Formula is total debt divided by total assets. Debt ratio for the 1st Quarter of 2025 and 2024 are 3.21% and 2.37%, respectively.
5. Debt-to-equity ratio - The formula is total debt divided by total equity. It indicates what proportion of equity and debt that the Company is using to finance its assets. The debt to equity ratio for the 1st Quarter of 2025 and 2024 are 3.32% and 2.43%, respectively.

Indicator	2025	2024
Advances ratio	0.23%	0.58%
Current ratio	5.36%	31.61%
Cash ratio	1.82%	30.33%
Debt ratio	3.21%	2.37%
Debt-to-equity ratio	3.32%	2.43%

RESULTS OF OPERATION

Revenues and Loss per share

Since the Company is exploring new business opportunities given the volatile situation of metal and oil prices in the global market, the Company has no revenues for the 1st quarter of 2025 and 2024.

The Company incurred losses of ₱0.6 million and ₱0.8 million for quarters ended March 31, 2025 and 2024, respectively. Loss per share for the 1st quarter of 2025 and 2024 were ₱0.0005 and ₱0.0007, respectively. In line with the plan for the next twelve months, the Board continue to explore business opportunities to aspire for maximized potential earnings.

Costs and Expenses

Costs and expenses for the 1st Quarter consisted primarily of dues and subscriptions, professional fees, rental, storage, taxes and licenses, transportation and miscellaneous.

Costs and expenses recorded for the 1st quarter of 2025 and 2024 were ₱609,341 and ₱642,024, respectively. Decrease by ₱32,683 or 5.09% is mainly due to a minimal decrease in payment of business permit for the 1st quarter.

The Company has incurred other income/(expenses) amounting to ₱52,663 and (₱141,897) in the 1st quarter of 2025 and 2024, respectively. This is due to no provision for input tax was recorded for the 1st quarter of 2025 as the company assessed that recorded input tax for the quarter maybe of economic use for the year 2025. Also, an unrealized foreign exchange gain was recorded for the 1st quarter of 2025 of ₱52,663 due to a lower USD to PHP conversion rate on the company's liability to affiliate. On the other hand, reported unrealized foreign loss and provision for impairment of input VAT in the 1st quarter of 2024 were ₱75,542 and ₱66,398, respectively.

FINANCIAL CONDITION

Current Assets

Current assets consist of cash in bank, input tax and other current assets. Cash in bank carries interest at respective bank deposit rate. On July 19, 2012, the Board of Directors approved the opening of a deposit account with Banco De Oro to facilitate the collection and disbursement processes of the Company. Input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide potential uncollectible portion 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.

Balance of cash in bank as of March 31, 2025 and 2024 were ₱63,708 and ₱1,037,630, respectively. The Company funded for income tax due for the year 2023 to be paid on April 2024, thus a significant increase in balance as compared to 1st quarter of 2025. Budget for payment of 2024 income tax was funded on April 2025. During 2024, pursuant to the revenue regulations issued by the Bureau of Internal Revenue (RR No.3-2024) prohibiting deferral of VAT, the company don't recognized provision for impairment of input VAT during the 1st quarter of 2025. Input VAT balance net of allowance for the quarter ended March 31, 2025 and 2024 were ₱80,897 and nil, respectively. The Company assessed that recorded balance of input VAT can now be used to offset against output VAT derived from recording interest income of advances at the 4th quarter of the year. Other current asset amounting to ₱38,213 for both quarters ended March 31, 2025 and 2024 pertains to cash in bank placed under garnishment in relation to labor case of previous employee filed against the company.

Non-Current Assets

Related Party Transaction Account

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured, non-interest bearing and with no definite terms of repayment period. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting.

Related Parties	Relationship	Outstanding Balance	
		March 31, 2025	March 31, 2024
The Wellex Group, Inc.	Common key management	₱312,256,753	₱308,197,754
Forum Exploration, Inc.	Common key management	171,631,076	171,631,076
Forum GSEC 101 Ltd.	Common key management	(4,743,968)	(4,666,933)

D. Advances to The Wellex Group, Inc. (TWGI)

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to ₱23,979,996 and ₱18,046,801 as at March 31, 2025 and 2024, respectively.

However, the Company entered into the following contracts with TWGI, which in return, amounts incurred by the former will be used to settle the outstanding advances:

- The Company leases an office space in May 2014 from The Wellex Group, Inc. (TWGI) located at the 35th Floor One Corporate Centre, Doña Julia Vargas Ave. corner Meralco Ave., Ortigas Center, Pasig City. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been rented four times since then and is currently valid until April 30, 2026. Office space quarterly rental including storage room usage and utilities is ₱55,500, exclusive of VAT and withholding tax for both periods ended March 31, 2025 and 2024.

The Company recognized the asset as 'right-of-use asset' and corresponding lease liability.

- In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed fifth times since then and is currently valid until April 30, 2026. Total management fee charged to operations amounted to ₱120,000 for both periods ended March 31, 2025 and 2024.

The Company had provided allowance for ECL on advances to TWGI prior to agreements entered into to settle the outstanding advances. Allowance for ECL is evaluated annually based on historical data and current condition of TWGI adjusted with forward looking information. Allowance for ECL will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

The carrying amount of advances to TWGI as at March 31 as follows:

	2025	2024
Advances	₱312,256,753	₱308,197,754
Allowance for impairment loss	(70,895,077)	(49,574,308)
Net carrying amount	₱241,361,676	₱258,623,446

The Company originally provides allowance for impairment amounting to ₱70,895,077 and ₱49,574,308 as at March 31, 2025 and 2024, respectively, on advances to TWGI prior to agreements entered to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

E. Advances to Forum Exploration Inc. (FEI)

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company. Outstanding balance for the quarters ended March 31, 2025 and 2024 amounted to ₱171,631,076 for both quarters with full valuation allowance for impairment loss.

FEI is a legal and beneficial owner of 100% interest in Service Contract (SC 40), an upstream oil and gas contract area in the Philippines, entered into with the Philippine Government through the Department of Energy (DOE). Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MMSCF) and 78.66 MMSCF since the start of production in 2012.

In SC 40 (North Cebu), which Forum operates through its 66.67% subsidiary, Forum Exploration, Inc. ("FEI"), conducted a land gravity survey over the Libertad and Dalingding areas in Bogo City and Daanbantayan Municipality, respectively. The gravity survey aimed to further delineate the carbonate bodies detected in the said areas by the initial 3D gravity modelling exercise.

In June 2022, FEI contracted a drilling consultant to prepare drilling programs and budgets for two (2) wells, one of which is located in the Dalingding Prospect. FEI's re-evaluation of the prospect concluded that the Dalingding-1 well, drilled in 1996, did not reach the Barili target, which is currently estimated to be at 1,830 feet, or 480 feet below the well's final depth. A new well is proposed to be drilled to a depth of 2,760 feet to reach the Barili Limestone.

An independent technical evaluation involving a review of available data, project risking, and project economics of the Dalingding Prospect started in the first quarter of 2023. The results indicate that deterministic and probabilistic volumetric estimates for the prospect show mean resources of 10 billion cubic feet (bcf) for a Gas Case and 3.5 MMBO for an Oil Case. The study was completed in March 2024.

In early 2024, the DOE approved FEI's proposal to conduct a magnetotelluric (MT) survey to further evaluate the Dalingding Prospect. The survey aimed to define the top of the carbonate buildup and help determine its depth from surface.

MT equipment testing and data acquisition in Daanbantayan, Cebu commenced on June 14, 2024, and was completed on September 2, 2024. A total of 30 stations were acquired on two (2) parallel lines oriented in a Northwest-Southeast direction, and 20 stations on one (1) perpendicular line oriented in a Northeast-Southwest direction.

The MT survey set-up consisted of four (4) electric field probes buried in north, east, west, and south directions, connected to a car battery-powered ADU-07e (recording unit) via a 20-50m cable. Daily data acquisition ran at one (1) station per day for an average of six (6) hours and 46 minutes. A quick quality control (QC) check was conducted at the end of the day to identify any potential issues or errors in the acquired data and to pinpoint stations that require resurveying.

The initial results of the MT data processing and interpretation were presented by FEI's consultant on October 31, 2024. It was found that, while the reef trap structure was not well imaged, the average top depth structure identified agrees with previous studies. The data, however, will have to undergo further

processing due to a high amount of cultural noise. Once completed, the information obtained will be correlated with existing seismic, gravity, magnetic, and well data in the area and will also be used to refine the drilling program for the Dalingding Prospect. The final report by the consultant is expected by late February 2025 and will determine how to use such data moving forward.

On December 23, 2024, the proposed WP&B for 2025 was submitted to the DOE. It has a firm program that includes the continuation and finalization of the MT survey data processing and interpretation, and the technical re-evaluation of the Dalingding prospect, wherein the MT data will be integrated to existing geologic, geophysical, and well data.

The Company has outstanding advances to FEI pertaining to the value of exploration assets transferred by the Company as follows:

	2025	2024
Advances	P 171,631,076	P171,631,076
Allowance for impairment loss	(171,631,076)	(171,631,076)
Net carrying amount	P-	P-

The basis of providing full allowance for impairment loss on these advances was FEI's assessment that the value of exploration assets was already utilized in previous drilling and exploration activities done by FEI. In the event that these exploration assets will be converted into commercial producing units, a reversal of allowance for impairment will be made and an arrangement for collection of this advances will be discussed. The Company remains positive on FEI's success on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at March 31, 2025 and 2024, FEI has not yet returned the value of the exploration assets that the Company transferred.

F. Advances from FORUM GSEC 101 Ltd. (Forum Exploration, Inc Ltd)

The Company received USD denominated cash advances from Forum (FEI), Ltd. amounted to \$82,922 with no definite terms of payment. Outstanding balance, in PHP denominated amount as at March 31, 2025 and 2024 is P4,743,968 and P4,666,934 respectively.

Financial Assets at FVOCI (net)

Financial Assets at FVOCI as at March 31 consist of:

	2025	2024
Unquoted shares		
Balance at beginning and end of the quarter	P 65,711,573	P65,711,573
Unrealized fair value loss	(62,604,073)	-
	3,107,500	65,711,573
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	7,027,520	9,035,383
	14,557,000	16,564,863
	P17,664,500	P82,276,436

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. (FEI) and Taguig Lake City Development Corporation (TLCDC). These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee which manifest control, joint control or significant influence. The Company believes that the carrying amount of these unquoted shares of stock approximates fair value.

Investment in quoted shares of stock represents ownership investment in Philippine Estates Corporation (PHES), a publicly listed Company. The fair value of these shares has been determined directly by reference to published prices in the active market

The Company's financial assets at FVOCI as at March 31, 2025 and 2024 are not held as collateral for its financial liabilities.

Right-Of-Use Asset (net)

Right-of-use asset are the asset that represents lessee's right to use an asset over the lease term. The carrying amount of right-of-use asset is ₱181,957 and ₱47,514 as of March 31, 2025 and 2024, respectively or a decrease by ₱134,443 or 282.95% due to renewal of lease contract.

The recognition of right-of-use asset has a corresponding lease liability. The present value of the lease liability – current amounted to ₱137,908 and ₱48,323 in March 31, 2025 and 2024, respectively, with an increase by ₱89,585 or 185.39% and lease liability – noncurrent amounting to ₱46,930 and nil in March 31, 2025 and 2024, respectively. The right-of-use of asset is nearing its end of use term with option to renew for another 3 years.

Based in the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at March 31, 2025 and 2024.

Remuneration to key management personnel

With the Company's tight cash position, management decided to suspend any form of compensation given to key management personnel for the periods ended March 31, 2025 and 2024.

Others

The administrative function of the Company is performed by its related party, TWGI.

Current liabilities

This is primarily consisting of accounts payable and other current liabilities (including payable for retainer fees of legal counsels, quarterly website maintenance, accrued expenses, withholding taxes payable and deferred output VAT), lease liability – current and income tax payable. Total outstanding balance as at March 31, 2025 and 2024 amounted to ₱3,500,824 and ₱3,421,166, respectively or an increase by ₱79,658 or 2.33%. This is main mainly due net effect of increase in accounts payable by ₱158,638, decrease in income tax payable by ₱54,063, decrease in accrued expense by ₱114,500 and decrease in other current liabilities by ₱69,733.

Interim Period as of Quarter Ended March 31, 2024

The following are the discussions for the interim report covering the period for the 1st quarter ended March 31, 2024.

Financial Highlights

Unaudited Income Statements

	January – March 2024	January – March 2023	January – March 2022
Revenues	₱–	₱–	₱–
Less: Costs and Expenses	642,024	568,207	556,916
Loss from Operation	(642,024)	(568,207)	(556,916)
Add: Other income (expenses)	(141,897)	35,795	(168,692)
Loss before Income Tax	(783,921)	(532,412)	(725,608)
Income Tax Expense	–	–	–
Net Loss for the quarter	(783,921)	(532,412)	(725,608)
Loss per share	(₱0.0007)	(₱0.0005)	(₱0.0006)

Unaudited Balance Sheets

	As of March 31, 2024	As of March 31, 2023	As of December 31, 2023
Assets	₱342,040,821	₱339,749,593	₱342,364,385
Liabilities	8,099,978	6,618,589	8,157,921
Stockholders' Equity	333,940,843	333,131,004	334,206,464
Total Liabilities & Stockholders' Equity	₱342,040,821	₱339,749,593	₱342,364,385

Interim quarter ended March 31, 2024 compared with quarter ended March 31, 2023

Key Performance Indicators:

1. Advances to Related Parties – currently, TWGI is funding all operational expenses of the Company. Total advances added/(deducted) and its ratio to total advances as of March 31, 2024 and 2023 are (₱1,772,820) and (₱845,442) and 0.69% and 0.33% respectively.
2. Current Ratios – current assets against the current liabilities of the Company. It measures the Company's ability to pay short-term obligations. Current Ratio for the 1st Quarter of 2024 and 2023 are 31.61% and 17.43%, respectively.
3. Cash Ratio – the most conservative liquidity ratio. It excludes all current assets except the most liquid – cash and cash equivalents. It measures the amount of cash and cash equivalents there are in the current assets to cover current liabilities. The cash ratio of the company for the 1st Quarter of 2024 and 2023 are 30.33% and 15.26%, respectively.
4. Debt ratio - it is one of the financial leverage ratios which measure the extent to which the firm is using long term debt. Formula is total debt divided by total assets. Debt ratio for the 1st Quarter of 2024 and 2023 are 2.37% and 1.95%, respectively.
5. Debt-to-equity ratio - The formula is total debt divided by total equity. It indicates what proportion of equity and debt that the Company is using to finance its assets. The debt to equity ratio for the 1st Quarter of 2024 and 2023 are 2.43% and 1.99%, respectively.

Indicator	March 31, 2024	March 31, 2023
Advances ratio	0.69%	0.33%
Current ratio	31.61%	17.43%
Cash ratio	30.33%	15.26%
Debt-to-asset ratio	2.37%	1.95%
Debt-to-equity-ratio	2.43%	1.99%

RESULTS OF OPERATION

Revenues and Loss per share

Since the Company is exploring new business opportunities given the volatile situation of metal and oil prices in the global market, the Company has no revenues for the 1st quarter of 2024 and 2023.

The Company incurred losses of ₱0.8 million and ₱0.5 million for quarters ended March 31, 2024 and 2023, respectively. Loss per share for the 1st quarter of 2024 and 2023 were ₱0.0007 and ₱0.0005, respectively. In line with the plan for the next twelve months, the Board continue to explore business opportunities to aspire for maximized potential earnings.

Costs and Expenses

Costs and expenses for the 1st Quarter consisted primarily of dues and subscriptions, professional fees, rental, storage, taxes and licenses, transportation and miscellaneous.

Costs and expenses recorded for the 1st quarter of 2024 and 2023 were ₱642,024 and ₱568,207, respectively. Increase by ₱73,817 or 13% is mainly due to increase in professional fee by ₱30,000, increase in taxes and licenses by ₱42,901 and increase in other expenses by ₱916.

The Company has incurred other expenses/(income) amounting to ₱141,897 and (₱35,795) in the 1st quarter of 2024 and 2023, respectively. This is due to decrease in provision for input tax by ₱7,786 and reported unrealized foreign loss in the 1st quarter of 2024 amounted to ₱75,542 as compared to unrealized foreign gain in the 1st quarter of 2023 amounted to ₱109,942.

FINANCIAL CONDITION

Current Assets

Current assets consist of cash in bank, input tax and other current assets. Cash in bank carries interest at respective bank deposit rate. On July 19, 2012, the Board of Directors approved the opening of a deposit account with Banco De Oro to facilitate the collection and disbursement processes of the Company. Input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide potential uncollectible portion 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.

Balance of cash in bank as of March 31, 2024 and 2023 were ₱1,037,630 and ₱306,592, respectively. The Company funded for income tax due for the year 2023 to be paid on April 2024. The Company provided full valuation on its input tax as of March 31, 2024 amounting to ₱2,900,090.

Non-Current Assets

Related Party Transaction Account

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured, non-interest bearing and with no definite terms of repayment period. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting.

Related Parties	Relationship	Outstanding Balance	
		March 31, 2024	March 31, 2023
The Wellex Group, Inc.	Common key management	₱146,992,370	₱143,747,910
Forum Exploration, Inc.	Common key management	111,631,076	111,631,076
Forum GSEC 101 Ltd.	Common key management	(4,666,933)	(4,513,375)

G. Advances to The Wellex Group, Inc. (TWGI)

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. Accrued interest receivable for this promissory note amounted to ₱18,046,801 and ₱12,113,606 as at March 31, 2024 and 2023, respectively.

To settle the outstanding advances, the Company entered into the following contracts with TWGI, which in return, amounts incurred will be applied to the outstanding advances.

The Company leases an office space in May 2014 from The Wellex Group, Inc. (TWGI) located at the 35th Floor One Corporate Centre, Doña Julia Vargas Ave. corner Meralco Ave., Ortigas Center, Pasig City. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been rented four times since then and is currently valid until April 30, 2024. Office space quarterly rental including storage room usage and utilities is ₱55,500, exclusive of VAT and withholding tax for both periods ended March 31, 2024 and 2023.

In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed fifth times since then and is currently valid until April 30, 2024. Total management fee charged to operations amounted to ₱120,000 for both periods ended March 31, 2024 and 2023.

The carrying amount of advances to TWGI as at March 31 as follows:

	2024	2023
Advances	₱308,197,754	₱304,953,294
Allowance for impairment loss	(161,205,384)	(161,205,384)
Net carrying amount	₱146,992,370	₱143,747,910

The Company originally provides allowance for impairment amounting to ₱161,205,384 and ₱161,205,384 as at March 31, 2024 and 2023, respectively, on advances to TWGI prior to agreements

entered to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

H. Advances to Forum Exploration Inc. (FEI)

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company. No transaction in the account balance was recognized for the quarters ended March 31, 2024 and 2023.

FEI is a legal and beneficial owner of 100% interest in Service Contract (SC 40), an upstream oil and gas contract area in the Philippines, entered into with the Philippine Government through the Department of Energy (DOE). Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MMSCF) and 78.66 MMSCF since the start of production in 2012.

In SC 40 (North Cebu), which Forum operates through its 66.67% subsidiary, Forum Exploration, Inc. ("FEI"), conducted a land gravity survey over the Libertad and Dalingding areas in Bogo City and Daanbantayan Municipality, respectively. The gravity survey aimed to further delineate the carbonate bodies detected in the said areas by the initial 3D gravity modelling exercise.

In June 2022, FEI contracted a drilling consultant to prepare drilling programs and budgets for two wells, one of which will be located in the Dalingding Prospect, a reef structure defined by seismic with the Late Miocene to Pliocene-age Barili Limestone as the primary target. A well, Dalingding-1, drilled this structure in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 1,508 ft. FEI's recent re-evaluation of the prospect had concluded that Dalingding-1 did not reach the Barili target, which is currently estimated at 480 ft, below the well's final depth. FEI proposes drilling Dalingding-2 down to 4,000 ft to reach the Barili Limestone and secondary targets underneath.

In August 2022, FEI contracted third party for the disposal of the Hycalog Rig and ancillary equipment stored in Brgy. Maya, Daanbantayan, Cebu Province. The sale process started on September 13, 2022 of which a Luzon-based company offered the highest bid. The pull-out of the items in December 2022 and was completed in June 2023.

An Independent Technical Evaluation involving a review of available data, project risk management, and project economics of the Maya and Dalingding Prospects started in the first quarter of 2023. The initial findings show that the deterministic and probabilistic volumetric estimates for the Dalingding Prospect indicate mean resources of 10 billion cubic feet ("BCF") for a Gas Case and 3.5 MMBO for an Oil Case. The study, included prospect risking and economics, was completed in 1Q 2024.

In 2024, FEI plans to conduct a magnetotelluric ("MT") survey to further evaluate the Dalingding and Maya prospects. The information to be obtained will be correlated with existing seismic, gravity and magnetic data in the area.

The Company has outstanding advances to FEI pertaining to the value of exploration assets transferred by the Company as follows:

	2024	2023
Advances	₱171,631,076	₱171,631,076
Allowance for impairment loss	(60,000,000)	(60,000,000)
Net carrying amount	₱111,631,076	₱111,631,076

The Company remains positive on FEI's success on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at March 31, 2024 and 2023, FEI has not yet returned the value of the exploration assets that the Company transferred.

I. Advances from FORUM GSEC 101 Ltd. (Forum Exploration, Inc Ltd)

The Company received USD denominated cash advances from Forum (FEI), Ltd. amounted to \$82,922 with no definite terms of payment. Outstanding balance, in PHP denominated amount as at March 31, 2024 and 2023 is ₱4,666,934 and ₱4,513,375, respectively.

Financial Assets at FVOCI (net)

Financial Assets at FVOCI as at March 31 consist of:

	2024	2023
Unquoted shares		
Balance at beginning and end of the quarter	₱65,711,573	₱65,711,573
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	9,035,383	10,541,279
	16,564,863	18,070,759
	₱82,276,436	₱83,782,332

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. (FEI) and Taguig Lake City Development Corporation (TLCDC). These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee which manifest control, joint control or significant influence. The Company believes that the carrying amount of these unquoted shares of stock approximates fair value.

Investment in quoted shares of stock represents ownership investment in Philippine Estates Corporation (PHES), a publicly listed Company. The fair value of these shares has been determined directly by reference to published prices in the active market

The Company's financial assets at FVOCI as at March 31, 2024 and 2023 are not held as collateral for its financial liabilities.

Right-Of-Use Asset (net)

Right-of-use asset are the asset that represents lessee's right to use an asset over the lease term. The carrying amount of right-of-use asset is ₱47,514 and ₱190,052 as of March 31, 2024 and 2023, respectively or a decrease by ₱142,538 or 75%.

The recognition of right-of-use asset has a corresponding lease liability. The present value of the lease liability – current amounted to ₱48,323 and ₱143,349 in March 31, 2024 and 2023, respectively, with an increase by ₱95,026 or 66.29% and lease liability – noncurrent amounting to nil and ₱48,323 in March 31, 2024 and 2023, respectively. The right-of-use of asset is nearing its end of use term with option to renew for another 3 years.

Based in the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at March 31, 2024 and 2023.

Remuneration to key management personnel

With the Company's tight cash position, management decided to suspend any form of compensation given to key management personnel for the periods ended March 31, 2024 and 2023.

Others

The administrative function of the Company is performed by its related party, TWGI.

Current liabilities

This is primarily consisting of accounts payable and other current liabilities (including payable for retainer fees of legal counsels, quarterly website maintenance, accrued expenses, withholding taxes payable and deferred output VAT), lease liability – current and income tax payable. Total outstanding balance as at March 31, 2024 and 2023 amounted to ₱3,421,166 and ₱2,009,378, respectively or an increase by ₱1,411,788 or 70.26%. This is main mainly due to the increase in income tax payable by ₱723,329, increase in accrued expense by ₱76,400, increase in deferred output VAT by ₱711,983 and decrease in other current liabilities by ₱99,926.

Undertaking

A copy of Quarter Report or SEC Form 17-Q for the period ended March 31, 2026, will be made available in the Company website.

(i) Summary of Material Trends, Events and Uncertainties

The shares of Forum Pacific, Inc. are listed and traded in Philippine Stock Exchange (PSE). The company was registered to engage in investing, purchasing and acquiring assets of any kind and description with the secondary purpose of engaging in the exploration, development and production of petroleum and related products, as well as other mineral and chemical substances. It is presently a holding company and owning shares of stocks of an exploration company.

Business Plans

The Company is cautiously hopeful that the business environment will start to grow in the foreseeable future. For the coming year 2025, the Company plans to undertake the following:

- Continuously support the progress of Taguig Lake City Development Corporation (TLCDC) on its prospect projects. The Company observed a positive response from Laguna Lake Development Authority on the TLCDC's proposals to rehabilitate Laguna De Bay.
- Further scan for business target projects, and welcome other business opportunities from different industries apart from oil and gas and mineral exploration.
- Evaluate potential buyers to buy out investment with Forum Exploration, Inc. or enter into partnership with potential buyers.
- Explore opportunities in the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads.
- Conduct demand and supply studies, as well as feasibility analysis and the selection of green and clean coal technologies are being conducted by select engineering advisers of the Company.
- Consider investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power.
- Conduct research and feasibility studies on renewable projects, albeit utilizing more stringent investment hurdles, given that renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

The Company's management believes that the financial support and its business plans are sufficient to provide the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Business Focus for the Coming Year

The investment made during 2017 in Taguig Lake City Development Corporation, a corporation engaged in the real estate industry, is starting to show some results, now that the Laguna Lake Development Authority has responded positively to this Company's proposals to rehabilitate the Laguna de Bay. The Company will continue to support the progress of TLCDC in this regard.

The Company will further scan for business target projects, and welcome other business opportunities from different industries apart from oil and gas and mineral exploration. As mentioned above, the management is currently discussing on how the Company will proceed with its remaining 33.33% capital stock investment in Forum Exploration, Inc., specifically whether to sell its interest or enter into partnership with potential buyers.

On the other hand, given the growing requirements for power, the Company is actively looking into the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads. Demand and supply studies, as well as site feasibility analysis and the selection of green and clean coal technologies are being conducted by select engineering advisers of the Company. On the other hand, the Company is also considering investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power. The management is also conducting research and feasibility studies on various renewable projects, albeit utilizing more stringent investment hurdles, given that renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

The Company's management believes that such financial support and the discussed management plans are sufficient to provide the Company the ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

(ii) Events that will Trigger Direct of Contingent Financial Obligation

Since the Forum Pacific, Inc. are still looking a strategic partner to enhance the development of the Company specially in exploration business, the Company have no events that will trigger direct or contingent financial obligation that is material to Forum Pacific, Inc. including any default or acceleration of an obligation.

(iii) Material Off-Balance Sheet Transactions, Arrangements, Obligations

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of Forum Pacific, Inc. with unconsolidated entities or other persons created during the reporting period.

(iv) Commitment for Capital Expenditures

The material commitments for capital expenditures of the company are primarily includes; salaries and wages, taxes, depreciation and utilities and other related overheads. Since the Company still focus on looking for a strategic partner, there are no major expenses of the business for the year.

(v) Any Known Trends, Events of Uncertainties (Material Impact on Net Sales / Net Income)

The Company is mainly exposed to liquidity risk through its maturing liabilities. The Company has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

The Company manages liquidity risk through continuous collection of advances to related parties which is considered as cash inflow to finance its operation. The Company continuously monitoring forecast and actual cash flows and matching the maturity profiles of liabilities.

The details of the maturity analysis of the Company's liabilities are as follows:

March 31, 2026	Total	On demand	Less than 3 months	3-12 months	1-5 years
Advances from related parties	₱5,016,781	₱-	₱-	₱-	₱5,016,781
Lease liability	46,930	-	-	46,930	-
Accounts payable and other liabilities	255,225	-	-	255,225	-
	₱5,318,936	₱-	₱-	₱302,155	₱5,016,781

**excluding government liabilities*

March 31, 2025	Total	On demand	Less than 3 months	3-12 months	1-5 years
Advances from related parties	₱4,743,968	₱-	₱-	₱-	₱4,743,968
Lease liability	137,908	-	-	184,838	-
Accounts payable and other liabilities	305,638	-	-	305,638	-
	₱5,187,514	₱-	₱-	₱443,546	₱4,743,968

**excluding government liabilities*

(vi) Significant Element of Income or Loss That Did Not Arise From Continuing Operation

PFRS 16, Leases. This new standard introduces a single lessee accounting model to be applied to all leases, whilst substantially carries forward the lessor accounting requirements in PAS 17 *Leases*. Lessees recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments for all leases with a term of more than twelve (12) months, unless the underlying asset is of low value. Whereas, lessors continue to classify leases as operating leases or finance leases, and to account for those two types of leases differently. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply PFRS 15 at or before the date of initial application of PFRS 16.

The Company adopted PFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on deficit as at January 1, 2019, without restatement of comparative figures.

PFRS 9, Financial Instruments (2014). PFRS 9, Financial Instruments replaces PAS 39 *Financial Instruments* Recognition and Measurement, bringing together all three aspects of the accounting for

financial instruments: classification and measurement, impairment, and hedge accounting. The standard requires all recognized financial assets that are within the scope of PAS 39 to be subsequently measured at amortized cost or at fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely for payments of principal and interest on the outstanding balance are generally measured at amortized cost at the end of subsequent reporting periods. All other debts investments and equity investments are measured at their fair values at the end of subsequent reporting periods. For financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income would create or increase an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

The Company has adopted the PFRS 9 *Financial Instruments* from January 1, 2018 and resulted in changes in accounting policies and adjusted amounts recognized in the financial statements. The comparative figures have been restated to comply with the transitional provisions in PFRS 9.

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 which superseded the previous promissory note. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. The term of the loan was extended for another five (5) years or until December 15, 2030 at the same interest rate. Accrued interest receivable for this promissory note amounted to ₱29,913,191 and ₱23,979,996 as at March 31, 2026 and 2025, respectively.

(vii) Material Changes on Line Items in Financial Statements

Material changes on line items in financial statements are presented under the captions ‘Changes in Financial Condition’ and ‘Changes in Operating Results’ above, see attached Notes to Financial Statements.

(viii) Effect of Seasonal Changes in the Financial Condition or Results of Operations

The financial condition or results of operations is not affected by any seasonal change.

* * *

MARKET INFORMATION

The principal market of Forum Pacific, Inc.’s common equity is traded is the Philippine Stock Exchange (PSE) where it was listed last December 19, 1994. The high and low sales prices by quarter for the last three (3) years are as follows:

		High	Low
2026	First Quarter	0.320	0.270
2025	First Quarter	0.220	0.220
	Second Quarter	0.230	0.230
	Third Quarter	0.234	0.233
	Fourth Quarter	0.240	0.240
2024	First Quarter	0.210	0.210
	Second Quarter	0.250	0.250
	Third Quarter	0.201	0.201
	Fourth Quarter	0.210	0.210
2023	First Quarter	0.230	0.230
	Second Quarter	0.206	0.205
	Third Quarter	0.212	0.200
	Fourth Quarter	0.200	0.200

The latest high, low and close market price is ₱0.275, ₱0.275 and ₱0.275, respectively per share as of April 30, 2026, respectively.

HOLDERS

The number of shareholders of record as of May 31, 2026 was 854. Common shares issued and subscribed were 1,838,943,246.

**Top 20 Stockholders
As of May 31, 2026**

	NAME	NO. SHARES HELD	% to TOTAL
1	INTERNATIONAL POLYMER CORPORATION	496,887,494	26.501
2	PCD NOMINEE CORPORATION	442,275,274	23.588
3	THE WELLEX GROUP, INC.	376,950,000	20.104
4	E.F. DURKEE & ASSOCIATES, INC.	77,838,563	4.151
5	INTRA-INVEST SEC., INC.	48,159,000	2.568
6	METROPOLITAN MANAGEMENT CORPORATION	30,000,000	1.600
7	JUANITO C. UY	22,625,001	1.207
8	PACRIM ENERGY N.L.	21,000,000	1.120
9	SAPPHIRE SECURITIES INC.	19,433,500	1.036
10	BENITO ONG AND/OR ZITA Y. ONG	18,000,000	0.960
11	NESTOR S. MANGIO	12,500,000	0.667
12	A & A SECURITIES, INC.	11,911,320	0.635
13	MARK SECURITIES CORPORATION	10,772,800	0.575
14	PCD NOMINEE CORP. (NON-FILIPINO)	10,430,050	0.556
15	GLOBALINKS SEC & STOCKS, INC. A/C # CWUS001	9,400,000	0.501
16	BELSON SECURITIES, INC.	9,200,000	0.491
17	WEALTH SECURITIES, INC.	8,240,000	0.439
18	RUBEN M. GAN	7,610,000	0.406
19	LI CHIH-HUI	6,860,000	0.379
20	DAVID GO SECURITIES CORPORATION	6,880,000	0.367

Cash and Stock Dividend Declared

The Company has not declared and paid dividends due to substantial losses suffered by the Company for the year 2025, 2024 and 2023.

Company's Dividend Policy

Dividend shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and as such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations (Page 11 of Amended By-laws).

Restriction That Limits The Payment Of Dividends On Common Shares

There are no restrictions that limit the payment of dividends on Common Shares.

Recent Sales Of Unregistered Securities

There are no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

Directors and Executive Officers of the Registrants

Directors and Executive Officers

Names, ages, citizenship and position of all directors and executive officers:

Directors will hold their current position for a term of one (1) year until the next Annual Stockholders' Meeting or until an appointment for his/her replacement was made via BOD appointment and as ratified by the stockholders.

Name	Age	Citizenship	Position	Years of Service	
Atty. Ruben D. Torres	83	Filipino	Chairman Independent Director	2021-Present 2018-2022	8 years
Elvira A. Ting	64	Filipino	President/Director	1996-Present	30 years
Hannel T. Ngo	43	Filipino	Treasurer/Director	Jul2025-Present	1.5 years
Atty. Lamberto B. Mercado, Jr.	61	Filipino	Director	1998-Present	28 years
Richard L. Ricardo	62	Filipino	Director	2014-Present	12 years
Atty. Arthur R. Ponsaran	82	Filipino	Director	2000-Present	26 years
Renato C. Francisco	77	Filipino	Independent Director	2020-Present	7 years
Sergio Antonio S. Ortiz-Luis	51	Filipino	Independent Director	2024-Present	3 years
Josaias T. Dela Cruz	64	Filipino	Independent Director	2021-Present	6 years
Atty. Aristeo R. Cruz	59	Filipino	Independent Director	2021-Present	6 years
Omar M. Guinomla	53	Filipino	Director	2014-Present	13 years
Amando J. Ponsaran, Jr.	55	Filipino	Corporate Secretary	2024-Present	3 years
Atty. Dorothy Jean. M. Aclan	32	Filipino	Assistant Corporate Secretary	2024-Present	3 years
Annabelle T. Abunda	49	Filipino	Compliance Officer Finance Officer	2017-Present 2022-Present	9 years 4 years

A brief description of the directors' and executive officers' business experience for the last five (5) years and other directorships held in other reporting companies are provided as follows:

Name and Position	Other Companies Affiliated	Position
Atty. Ruben D. Torres Chairman/Director Filipino 83 years old B.A. in Political Science Bachelor of Laws University of the Philippines	Services Exporters Risk Management & Consultancy Co BPO Workers Association of the Phils. Trade Union Congress of the Phils. Torres Caparas Torres Law Offices Waterfront Phils., Inc. Acesite (Phils.) Hotel Corp. Wellex Industries, Inc. Waterfront Manila Premier Dev't., Inc. Alliance Energy Power and Dev't., Inc. Aristocrat Manila City Holdings, Inc. Pacific Concorde Corp. Philippine Estates Corp. Taguig Lake City Dev't. Corp. Wellex Mining Corp. Triton Construction and Dev't. Corp. Philippine National Construction Corp.	Chairman/CEO President VP-International Affairs Senior Partner Director Independent Director Chairman/Director Chairman/Director Chairman/Director Chairman/Director President/Director Independent Director Chairman/Director Corp. Treasurer/Director Chairman/Director Director
Elvira A. Ting President/Director Filipino 64 years old BS in Business Administration Major in Management Philippine School of Business Administration	Waterfront Philippines, Inc. Wellex Industries, Inc. Acesite (Phils.) Hotel Corp. Metro Alliance Holdings & Equities Corp. Philippine Estates Corp. Orient Pacific Corp. Crisanta Realty Dev't. Corp. Recovery Dev't Corp. The Wellex Group, Inc. Plastic City Industrial Corp. Waterfront Manila Premier Dev't, Inc. Rexlon Realty Group, Inc.	Corp. Treasurer/Director Vice President/Director Corp. Treasurer/Director Chairman/Director President/Director Chairman/Director Chairman/President/Director Corp. Treasurer/Director Corp. Treasurer/Director Corp. Treasurer/Director Corp. Secretary/Director Chairman/President/Director

	<p>Pacific Rehouse Corp. Westland Pacific Properties Corp. Heritage Pacific Corp. Palawan Estate Corp. Poly Premier Property Dev't Corp. Wanda Prime Property Dev't, Inc. Bocau Prime Estate Corp. Bulacan Fortune Land Dev't Corp. Taguig Lake City Dev't Corp. Country Garden Agri-Tourism Dev't, Inc. Alliance Energy Power & Dev't Corp. North Luzon Premier Dev't Corp. Shangrila Global Estate Ventures Corp. Aristocrat Manila City Holdings, Inc. Seabrook Resources & Dev't, Corp.</p>	<p>Corp. Treasurer/Director Asst. Corp. Sec./Director Chairman/President/Director Asst. Corp. Sec./Director Corp. Treasurer/Director President/ Director President/ Director Chairman/President/Director President/ Director Corp. Treasurer/Director Corp. Secretary/Director President/ Director Chairman/Director President/Director Corp. Treasurer/Director</p>
--	---	--

<p>Hannel T. Ngo Director 43 years old Bachelor of Science in Architecture University of Sto. Tomas Professional Architect</p>	<p>Philippine Contractors Accreditation Board 1Sheperd Corporation Building and Construction Authority (Singapore) Triton Construction & Development Corp. Altai Philippines Mining Corp. Clean Patrol Cleaning Services, Inc. 1931 & Co. Management Services, Inc. Orient Pacific Corporation Pacific Rehouse Corporation Crisanta Realty Development Corporation Forum Holdings Corporation Pacific Wide Holdings, Inc. Wellex Industries, Inc. Metro Alliance Holdings & Equities Corp. Watefront Philippines, Inc.</p>	<p>Authorized Managing Officer Construction Occupational Safety and Health Officer Risk Management Officer President President President President Corporate Secretary Asst. Corporate Secretary Vice President Chairman & President Director Director Director Chief Operating Officer</p>
--	--	---

<p>Atty. Lamberto B. Mercado, Jr. Director Filipino 61 years old Bachelor of Laws (L.L.B.) Ateneo de Manila University School of Law</p>	<p>Asia Healthcare, Inc. FEZ-EAC Holdings, Inc. Wellex Industries, Inc. Acesite (Phils.) Hotels Corp. Metro Alliance Holdings & Equities Corp. Philippine National Construction Corp. Consumer Product Distribution Services Rexlon Realty Group, Inc. Wellex Mining Corp. Southernpec Phils., Inc. Dubai Gold Mining Corp. Sands Mining & Dev't. Corp. Bulacan Harbour Dev't. Corp. Wanda Prime Property Dev't., Inc. Seabrook Resources & Devt Corp. Country Garden Agri-Tourism Dev't., Inc. Bulacan Country Garden Dev't. Corp.</p>	<p>Director Director Director Chief Risk Officer/Director Director Director Director Assist. Cop. Sec./Director Corp. Secretary/Director Corp. Secretary/Director Corp. Secretary/Director Director Corp. Secretary/Director Director Corp. Secretary/Director President Director</p>
---	---	---

<p>Richard L. Ricardo Investor Relations Officer/Director Filipino 62 years old B.S. in Business Management</p> <p>A.B. in Economics <i>Ateneo de Manila University</i></p>	<p>Wellex Industries, Inc. Waterfront Philippines, Inc.</p> <p>Acesite (Phils.) Hotel Corp. Metro Alliance Holdings & Equities Corp. Philippine Estates Corp.</p> <p>The Wellex Group, Inc. Rexlon Realty Group, Inc. Westland Pacific Properties Corp. Wellex Petroleum, Inc. Wellex Mining Corp. Bocau Prime Estate Corp. Taguig Lake City Dev't. Corp. Pacific Wide Holdings, Inc. Dubai Gold Mining Corp. Sand Mining & Dev't. Corp. Manila Bay Front Hotels, Inc. Shanghai Global Estate Ventures Corp. Bulacan Country Garden Dev't. Corp. Alliance Energy Power & Dev't. Inc.</p>	<p>President/Director/Investor Relations Officer Investor Relations/Corporate Affairs Officer Compliance Officer Vice President for Corporate Affairs/Compliance Officer Corp. Treasurer/Investor Relations Officer Corp. Treasurer/Investor Relations Officer/Director Corp. Secretary/Director Vice President/Director Corp. Secretary/Director Corp. Treasurer/Director Assist. Corp. Sec./Director Corp. Secretary/Director Corp. Secretary/Director Corp. Treasurer/Director Chairman/President/Director Corp. Treasurer/Director Corp. Treasurer/Director Corp. Secretary/Director Corp. Secretary/Director President/Director</p>
--	--	--

<p>Atty. Arthur R. Ponsaran Director Filipino 82 years old CPA Lawyer Business Administration Major in Accounting <i>University of the East</i> Bachelor of Laws <i>University of the Philippines</i></p>	<p>Corporate Counsels, Phils. Law Office Acesite (Phils.) Hotel Corp. Waterfront Phils., Inc. Philippine Estate Corp.</p>	<p>Managing Partner Corp. Secretary/Director Corp. Secretary Director</p>
--	---	---

<p>Renato C. Francisco Independent Director Filipino 77 years old Bachelor of Laws <i>Ateneo de Manila University</i> B.A. in English and Philosophy <i>San Beda College</i></p>	<p>Wellex Industries Inc Philippine Estates Corp. Acesite (Phils.) Hotel Corp. Waterfront Phil., Inc.</p>	<p>Independent Director Independent Director Independent Director Independent Director</p>
---	---	--

<p>Sergio Antonio S. Ortiz-Luis Independent Director 51 years old Bachelor of Fine Arts <i>University of Sto. Tomas</i></p>	<p>Wellex Industries, Inc. The Events Hive Canadian Tourism and Hospitality Institute Arena Islands Beach Resorts, Inc. Esports World Federation Philippine Chamber of Commerce and Industry Youth Committee Philippine Young Entrepreneurs Association – NCR First Kick for Peace Brick Traders</p>	<p>Independent Director Sole Proprietor Director</p> <p>Director/Vice President Vice President Vice Chairman President</p> <p>Vice President Proprietor</p>
--	--	---

<p>Josaias T. Dela Cruz Independent Director Filipino 64 years old B.S. in Business Management <i>Ateneo de Manila University</i></p>	<p>Wellex Industries, Inc. Philippine Estates Corp. JTDC Spinmeister Laundry Service</p>	<p>Independent Director Independent Director Sole Proprietor</p>
--	--	--

<p>Aristeo R. Cruz Independent Director Filipino 59 years old CPA Lawyer B.S. in Commerce Major in Accountancy <i>De La Salle University</i> Bachelor of Laws (LLB) <i>New Era University</i></p>	<p>Metro Alliance Holdings & Equities Corp. Wellex Industries, Inc. Acesite (Phils.) Hotel Corp. Waterfront Philippines Inc Liberty Bank (A Rural Bank), Inc. Meycauayan College, Inc.</p> <p>Cruz Altares & Associates Law Office (formerly Cruz, Castro & Altares Law Office) Idealland Realty & Dev't. Corp.</p> <p>Statosphere Realty & Dev't. Corp.</p> <p>Waterstreet Realty Corp. Jose & Luz Locsin Foundation Justino Emilia Realty and Management & Dev't. Corp.</p>	<p>Director Independent Director Independent Director Independent Director Vice-President Vice-Chairman of the Board, Executive Vice-President Founding and Managing Partner</p> <p>President and Chief Operating Officer (COO) President and Chief Operating Officer (COO) President President Corp. Secretary</p>
--	---	---

<p>Omar M. Guinomla Director Filipino 53 years old A.B. Management <i>De La Salle University</i> Master's in Business Administration <i>Ateneo de Manila University</i></p>	<p>Recovery Real Estate Corp. Wellex Industries, Inc. Pacific Rehouse Corp. Orient Pacific Corp. Recovery Dev't. Corp. Philippine International Airways Continental Wire & Cable Corp. Shanghai Resources Corp. Calinan Star Mining, Inc. Dubai Gold Mining Corp. Sands Mining & Dev't. Corp. Manila Bay Front Hotels, Inc. Silverquest Mining Resources Inc. Bulacan Fortune Land Dev't. Corp. Triton Construction & Dev't. Corp.</p>	<p>Director Director Director Assist. Corp. Sec./Director Assist. Corp. Sec./Director Corp. Treasurer/Director Director Chairman/President/Director Director Director Corp. Secretary/Director Corp. Secretary/Director Corp. Treasurer/Director Corp. Secretary/Director Corp. Secretary/Director</p>
--	--	--

<p>Amando J. Ponsaran, Jr. Corporate Secretary Filipino 55 years old BSBA-Finance/Marketing <i>University of San Agustin – Iloilo</i> Bachelor of Laws <i>Arellano Law School/Philippine Christian University</i></p>	<p>Philippine Estates Corp. Corporate Counsels, Phils. Law Offices</p> <p>Wellex Industries, Inc. Consumer Products Distribution Services Inc</p>	<p>Corporate Secretary Senior Manager – Corporate Services Group Corporate Secretary Corporate Secretary</p>
--	---	--

Atty. Dorothy Jean M. Aclan Asst. Corporate Secretary Filipino 32 years old Bachelor of Science in Legal Mangement <i>San Beda College – Manila</i> Juris Doctor <i>San Beda College – Alabang</i>	Corporate Counsels Phils. Law Offices M.R. Dimaano Law Office Mayo Law Office San Beda College-Manila Centralized Bar Operations	Associate Lawyer (present) Associate Lawyer Paralegal Member
Annabelle T. Abunda Finance and Compliance Officer Filipino 49 years old CPA and Licensed Real Estate Broker B.S. in Accountancy <i>University of the Philippines in the Visayas</i>	Pacific Rehouse Corp. Pacific Wide Holdings, Inc. Wellex Industries, Inc. Metro Alliance Holdings & Equities Corp.	Finance & Administration Manager Accounting Manager Finance and Compliance Officer Finance Officer

CORPORATE GOVERNANCE

The Corporation adheres to the principles and practices of good corporate governance, as embodied in its Corporate Governance Manual and related SEC Circulars. Continuous improvement and monitoring of governance and management policies have been undertaken to ensure that the Corporation observes good governance and management practices. This is to assure the shareholders that the Corporation conducts its business with the highest level of integrity, transparency and accountability and to protect and respect the rights of minority shareholders.

The board of Directors has approved its Corporate Governance Compliance Evaluation System in order to check and assess the level of compliance of the Company with leading practices on good corporate governance as specified in its Corporate Governance Manual and pertinent SEC Circulars. The System likewise highlights areas for compliance improvement and action to be taken. One of the system's output is the Annual Corporate Governance Compliance Evaluation Form submitted by the Corporation every year to the SEC and PSE.

Forum Pacific, Inc. has consistently strived to raise its financial reporting standards by adopting and implementing prescribed Philippine Financial Reporting Standards. The Company submitted its Integrated Annual Corporate Governance Report (IACGR) on May 5, 2026 covering the year 2025. All directors and officers of the company attended the Corporate Governance webinar provided by a SEC accredited seminar provider, Risk Opportunities Assessment and Management (ROAM), Inc. last November 12, 2025 and submitted their certificate of compliance to SEC and PSE last November 17, 2025. The independent directors have submitted their Certificate of Qualification as required by the SEC vis-à-vis Section 38 of the Securities Regulation Code.



SECURITIES AND EXCHANGE COMMISSION

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



The following document has been received:

Receiving: ICTD ERMD

Receipt Date and Time: April 10, 2026 04:37:49 PM

Company Information

SEC Registration No.: AS93000120

Company Name: FORUM PACIFIC INC

Industry Classification: J66940

Company Type: Stock Corporation

Document Information

Document ID: OST104102026811174282

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2025

Submission Type: Annual

Remarks: None

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

Forum Pacific, Inc.

Financial Statements
December 31, 2025 and 2024

and

Independent Auditors' Report



Forum Pacific <forumpacificinc@gmail.com>

Your BIR AFS eSubmission uploads were received

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: forumpacificinc@gmail.com
Cc: FORUMPACIFIC.ASM@gmail.com

Fri, Apr 10, 2026 at 2:49 PM

Hi FORUM PACIFIC INC,

Valid files

- EAFS002155598AFSTY122025.pdf
- EAFS002155598ITRTY122025.pdf
- EAFS002155598RPTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-ABAK75L702N13VXM4N4SW1YMW0QPWN1N41**
Submission Date/Time: **Apr 10, 2026 02:49 PM**
Company TIN: **002-155-598**

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

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

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



Statement Of Undertaking

In using this system, I hereby accept the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

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

✓ Accept

✗ Reject

File Upload



All files successfully uploaded

Transaction Code:

AFS-0-ABAK75L702N13VXM4N4SW1YMW0QPWN1N41

Submission Date/Time:

Apr 10, 2026 02:49 PM

[📄 Back To Upload](#)



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

Diaz Murillo Dalupan and Company, the independent auditors, appointed by the stockholders has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

[Signature of Ruben D. Torres]

RUBEN D. TORRES Chairman of the Board

[Signature of Elvira A. Ting]

ELVIRA A. TING President

[Signature of Hanniel T. Ngo]

HANNIEL T. NGO Corporate Treasurer

SUBSCRIBED AND SWORN to before me in PASIG CITY City/Province, Philippines on APR 10 2026, affiants personally appeared before me and exhibited to me their Tax Identification Number below:

Table with 2 columns: Name, Tax Identification Number. Rows: 1. RUBEN D TORRES (135-071-068), 2. ELVIRA A. TING (117-922-153), 3. HANNIEL T. NGO (265-116-614)

WITNESS MY HAND AND SEAL on the date and at the place above written.

DOC NO: 152 : PAGE NO: 30 : BOOK NO: 27 : SERIES OF 2024 :

Notary Public FERDINAND D. AYAHAO Commission No. 122 (2026-2027) valid until 12/31/2027 MCLE Exemption No. VIII-BEP003234, until 04/14/28 Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2008 TIN 123-011-785; PTR 4018763AA; 01/09/26; Pasig City Unit 5, West Tower PSE, Exchange Road Ortigas Center, Pasig City, NCR, 1605 Philippines

35th Floor, One Corporate Center, Doña Julia Vargas Ave., corner Meralco Avenue, Ortigas Center, Pasig City, Phils. 1605 Tel. No. (632) 7067888 Fax No. (632) 7065982

Independent Auditor's Report

To the Board of Directors and Stockholders of
FORUM PACIFIC, INC.
35th Floor, One Corporate Center
Doña Julia Vargas Ave., corner Meralco Avenue
Ortigas Center, Pasig City

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of **Forum Pacific, Inc.** (the 'Company'), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for each of the three years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are independent of the Company in accordance with Code of Ethics for Professional Accountants in the Philippines (the 'Code of Ethics'), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has incurred losses in prior years and has accumulated a deficit of ₱861,234,686 and ₱864,248,688 as at December 31, 2025 and 2024, respectively. Furthermore, the Company's current liabilities exceeded its current assets by ₱3,235,003 and ₱3,429,398 as at December 31, 2025 and 2024, respectively. As stated in Note 1, these events or conditions, along with other matters, indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. To continue as a going concern, the officers and major stockholders of the Company have committed to provide full financial support to the Company to sustain its operations, meet the working capital requirements and settle obligations as they fall due.

Global Reach, Global Quality

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 8894 5892 / 8844 9421 / Fax: +63(2) 8818 1872
Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8029
Davao Office : 3rd Floor Building B Plaza De Luisa, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 6636
Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone +63(48) 716 1580
Website : www.dmdcpa.com.ph

The Company will also consider investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy. It will continue to conduct research and feasibility studies on renewable projects, albeit utilizing more stringent investment hurdles, given that renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

We have conducted sufficient audit procedures to verify the validity of the management plan to address the material uncertainty related to going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Adequacy of Allowance for Expected Credit Losses on Advances to Related Parties

The Company's assumptions used in calculating the allowance for expected credit losses (ECL) is significant to our audit as it involves the exercise of material management judgement. Key judgment areas include, historical credit loss experience based on past due status of debtors and current conditions and estimates of future economic conditions. Allowance for ECL on advances to related parties amounted to ₱242,526,151 as at December 31, 2025 and 2024.

The disclosures related to allowance for ECL on advances to related parties are included in Note 16.

Our Response

Our audit procedures to address the adequacy of allowance for ECL, includes the following:

- Obtained understanding of the approved methodologies used by the Company and assessed whether these are acceptable under the requisites of PFRS 9.
- Checked the methodology used in applying the general approach by evaluating the key inputs, assumptions, and formulas used.
- Tested the definition of default against historical analysis of accounts and credit risk management policies and practices.
- Tested loss given default by inspecting historical recoveries including the timing, related costs, and write-offs.

Reasonableness of the Assumptions and Estimates Used in Determining Fair value of Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

The Company's assumptions used in calculating the fair value of unquoted equity investments under financial assets at FVOCI is significant to our audit as it involves the exercise of significant management judgement and estimate. The management applies unobservable inputs that requires measuring the fair value of the individual assets and liabilities recognized in an investee's statement of financial position as well as the fair value of any unrecognized assets and liabilities, liquidity situation and other facts and circumstances.

Fair value of unquoted equity investments amounted to ₱3,107,499 as at December 31, 2025 and 2024.

Our Response

Our audit procedures to address the reasonableness of fair value of unquoted equity investments includes the following:

- Obtained understanding of the approved methodologies used by the Company and assessed whether these are acceptable under the requisites of *PFRS 13 Fair Value Measurements*.
- Checked the methodology used in calculating the fair value by evaluating the key inputs, assumptions, and formulas used and verified the supporting documents.

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Supplementary Information required by the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of **Forum Pacific, Inc.** taken as a whole. The supplementary information in Note 19 to the financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

DIAZ MURILLO DALUPAN AND COMPANY


Tax Identification No. 003-294-822

BOA/PRC No. 0234, effective until June 23, 2026

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and valid in the audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001911-000-2025, effective until March 11, 2028

By:


Richard Noel M. Ponce
Partner

CPA Certificate No. 120457

SEC Accreditation No. 1738-A, Group A, issued on March 31, 2022 and valid in the audit of 2021 to 2025 financial statements

Tax Identification No. 257-600-228

PTR No. 10771458, January 1, 2026, Makati City

BIR Accreditation No. 08-001911-006-2025, effective until October 10, 2028

April 10, 2026



FORUM PACIFIC, INC.
Statements of Financial Position

	As at December 31	
	2025	2024
ASSETS		
Current Assets		
Cash - note 5	₱ 194,184	₱ 91,574
Prepayments and other current assets (net) - note 6	42,113	41,213
	236,297	132,787
Noncurrent Assets		
Advances to related parties (net) - note 11	245,615,268	242,087,403
Financial assets at FVOCI - note 7	19,170,397	15,907,621
Right-of-use asset (net) - note 8	45,490	181,957
Deferred tax assets (net) - note 14	11,733	46,210
	264,842,888	258,223,191
TOTAL ASSETS	₱ 265,079,185	₱ 258,355,978
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities - note 9	₱ 2,550,941	₱ 2,539,941
Lease liability - note 11	46,930	137,908
Income tax payable	873,429	884,336
	3,471,300	3,562,185
Noncurrent Liabilities		
Advances from a related party - note 11	4,874,984	4,796,623
Lease liability (net of current portion) - note 11	-	46,930
Deferred tax liability - note 14	11,372	45,489
	4,886,356	4,889,042
	8,357,656	8,451,227
Equity		
Capital stock - note 10	1,208,083,621	1,207,543,621
Unrealized fair value loss on financial assets at FVOCI	(54,070,656)	(57,333,432)
Deficit - note 2	(861,234,686)	(864,248,688)
	292,778,279	285,961,501
Treasury shares - note 10	(36,056,750)	(36,056,750)
	256,721,529	249,904,751
TOTAL LIABILITIES AND EQUITY	₱ 265,079,185	₱ 258,355,978

(The accompanying notes are an integral part of these financial statements.)



FORUM PACIFIC, INC.
Statements of Comprehensive Income

	For the Years Ended December 31		
	2025	2024	2023
COSTS AND EXPENSES - note 12	(P 2,460,947)	(P 2,469,340)	(P 2,253,286)
OTHER INCOME (EXPENSES) - note 13	6,360,830	(15,084,460)	5,765,784
FINANCE COST - note 11	(12,092)	(13,581)	(6,651)
INCOME (LOSS) BEFORE INCOME TAX	3,887,791	(17,567,381)	3,505,847
PROVISION FOR INCOME TAX - note 14			
Current	873,429	884,336	938,400
Deferred	360	(518)	202
	873,789	883,818	938,602
NET INCOME (LOSS) FOR THE YEAR	3,014,002	(18,451,199)	2,567,245
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Unrealized fair value gain (loss) on financial assets at FVOCI - note 7	3,262,776	(65,866,850)	(2,760,810)
TOTAL COMPREHENSIVE INCOME (LOSS)	P 6,276,778	(P 84,318,049)	(P 193,565)
INCOME (LOSS) PER SHARE - note 15	P 0.003	(P 0.016)	P 0.002

(The accompanying notes are an integral part of these financial statements.)



FORUM PACIFIC, INC.
Statements of Changes in Equity

	Capital Stock (Note 10)	Treasury Shares (Note 10)	Deficit (Note 2)	Unrealized fair value gain (loss) on financial assets at FVOCI (Note 7)	Total
As at January 1, 2023	₱ 1,207,543,621	(₱ 36,056,750)	(₱ 848,364,734)	₱ 11,294,228	₱ 334,416,365
Comprehensive income (loss)					
Net income for the year	-	-	2,567,245	-	2,567,245
Other comprehensive loss	-	-	-	(2,760,810)	(2,760,810)
Total comprehensive income (loss) for the year			2,567,245	(2,760,810)	(193,565)
Balance as at December 31, 2023	1,207,543,621	(36,056,750)	(845,797,489)	8,533,418	334,222,800
Comprehensive loss					
Net loss for the year	-	-	(18,451,199)	-	(18,451,199)
Other comprehensive loss	-	-	-	(65,866,850)	(65,866,850)
Total comprehensive loss for the year			(18,451,199)	(65,866,850)	(84,318,049)
Balance as at December 31, 2024	1,207,543,621	(36,056,750)	(864,248,688)	(57,333,432)	249,904,751
Transaction with owners:					
Issuance of capital stock - note 10	540,000	-	-	-	540,000
Comprehensive income					
Net income for the year	-	-	3,014,002	-	3,014,002
Other comprehensive income	-	-	-	3,262,776	3,262,776
Total comprehensive income for the year	540,000	-	3,014,002	3,262,776	6,816,778
Balance as at December 31, 2025	₱ 1,208,083,621	(₱ 36,056,750)	(₱ 861,234,686)	(₱ 54,070,656)	₱ 256,721,529

(The accompanying notes are an integral part of these financial statements.)

FORUM PACIFIC, INC.
Statements of Cash Flows

	For the Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱ 3,887,791	(₱ 17,567,381)	₱ 3,505,847
Adjustments for income tax:			
Provision for (recovery of) impairment of input tax - note 6	(505,959)	(508,246)	199,458
Provision for impairment on advances to related parties - note 11	-	21,320,767	-
Depreciation - note 8	136,467	138,490	142,539
Finance cost - note 11	12,092	13,581	6,651
Unrealized foreign exchange loss (gain) - note 11	78,361	205,232	(31,925)
Interest income - notes 5 and 11	(5,933,232)	(5,933,293)	(5,933,317)
Operating loss before working capital changes	(2,324,480)	(2,330,850)	(2,110,747)
Decrease (increase) in prepayments and other current assets	505,059	505,246	(199,458)
Increase (decrease) in accounts payable and other liabilities	11,000	(11,652)	733,638
Cash used in operations	(1,808,421)	(1,837,256)	(1,576,567)
Income tax paid	(884,336)	(938,400)	(215,071)
Interest received - note 5	37	98	122
Net cash used in operating activities	(2,692,720)	(2,775,558)	(1,791,516)
CASH FLOW FROM AN INVESTING ACTIVITY			
Collection of advances to related parties - note 11	2,405,330	2,921,291	1,761,357
CASH FLOW FROM A FINANCING ACTIVITIES			
Issuance of capital stock - note 10	540,000	-	-
Payment of lease liability - note 11	(150,000)	(150,000)	(150,000)
Net cash provided by (used in) financing activities	390,000	(150,000)	(150,000)
NET INCREASE (DECREASE) IN CASH	102,610	(4,267)	(180,159)
CASH - note 5			
At beginning of year	91,574	95,841	276,000
At end of year	₱ 194,184	₱ 91,574	₱ 95,841

(The accompanying notes are an integral part of these financial statements.)

FORUM PACIFIC, INC.

Notes to Financial Statements

As at December 31, 2025 and 2024 and for each of the three years
in the period ended December 31, 2025

1. CORPORATE INFORMATION

Forum Pacific, Inc. (the ‘Company’), formerly known as Cophil Exploration, Inc., was incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on January 8, 1993 primarily to engage in investing, purchasing and acquiring assets of any kind and description with the secondary purpose of engaging in the exploration, development and production of petroleum and related products as well as other mineral and chemical substance.

The Company’s shares are listed and traded in the Philippine Stock Exchange (PSE). Its registered office address is located at 35th Floor, One Corporate Center, Doña Julia Vargas Ave., corner Meralco Avenue, Ortigas Center, Pasig City.

The accompanying financial statements of the Company as at and for the year ended December 31, 2025 including its comparatives for 2025 and 2024 were approved and authorized for issue by its Board of Directors (BOD) on March 18, 2026.

2. MANAGEMENT ASSESSMENT OF THE GOING CONCERN ASSUMPTION AND BUSINESS PLANS

Management’s Assessment of the Going Concern Assumption

The Company has incurred losses in prior years resulting in a deficit of ₱861,234,686 and ₱864,248,688 as at December 31, 2025 and 2024, respectively. Furthermore, the Company’s current liabilities exceeded its current assets by ₱3,235,003 and ₱3,429,398 as at December 31, 2025 and 2024, respectively. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Notwithstanding these conditions, management believes that the Company will be able to meet all its outstanding obligations and continue to operate as a going concern.

To continue as a going concern, the officers and major stockholders of the Company have committed to in principle to provide full financial support to the Company to sustain its operations, meet the working capital requirements and settle obligations as they fall due.

Business Plans

The Company is cautiously hopeful that the business environment will start to grow in the foreseeable future. For the coming year 2026, the Company plans to continuously undertake the following:

- Continuously support the progress of Taguig Lake City Development Corporation (TLCDC) on its prospect projects in relation. The Company observed a positive response from Laguna Lake Development Authority on the TLCDC’s proposals to rehabilitate Laguna De Bay.

- Further scan for business target projects, and welcome other business opportunities from different industries apart from oil and gas and mineral exploration.
- Evaluate potential buyers to buy out investment with Forum Exploration Inc. or enter into partnership with potential buyers.
- Explore opportunities in the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads.
- Conduct demand and supply studies, as well as feasibility analysis and the selection of green and clean coal technologies are being conducted by select engineering advisers of the Company.
- Consider investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power.
- Conduct research and feasibility studies on various renewable projects, although it would require more stringent investment hurdles. Renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

The Company's management believes that the financial support and its business plans are sufficient to provide the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

Statement of Compliance

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

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the Company's financial assets at FVOCI, which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Functional and Presentation Currency

The financial statements are presented in Philippine peso (₱), the Company's functional currency. All amounts are rounded to the nearest peso except when otherwise indicated.

Current and Non-Current Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liability are classified as non-current assets and non-current liabilities, respectively.

Changes in Accounting Policies and Disclosures

The Company adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2025.

The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability (Amendments to PAS 21). The amendment specifies that a currency is exchangeable when an entity can exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at measurement date and for a specified purpose while a currency is not exchangeable into other currency if an entity can only obtain an insignificant amount of the other currency. When a currency is not exchangeable, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions. The amendment requires the disclosure of additional information when a currency is not exchangeable.

The management assessed that the amendment has no significant impact to the Company.

New Accounting Standards, Interpretations and Amendments to Existing Standards Effective Subsequent to January 1, 2025

PFRS 18, Presentation and Disclosure in Financial Statements. This standard supersedes *PAS 1, Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The standard requires an entity to clearly identify the financial statements, which must be distinguished from other information in the same published document, as well as each primary financial statement and the notes to the financial statements. In addition, the following information must be displayed prominently, and repeated as necessary:

- the name of the reporting entity and any change in the name
- whether the financial statements are a group of entities or an individual entity
- information about the reporting period
- the presentation currency (as defined by *PAS 21, The Effects of Changes in Foreign Exchange Rates*)
- the level of rounding used (e.g., thousands, millions).

Retrospective application of the standard is mandatory for annual reporting periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed. The Management assessed that the application of these amendments will have an impact on the Company's financial statements in future periods.

PFRS 18 supersedes PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements with movements on certain paragraphs into PAS 8 and PFRS 7. Furthermore, there were also minor amendments to PAS 7 and PAS 33 earnings per share. The new standard introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

The amendment is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to PAS 7 and PAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies PFRS 18.

The Company anticipate that the application of these amendments will result in change in presentation of the financial statements and disclosure in the notes to the financial statements.

PFRS 19, Subsidiaries without Public Accountability: Disclosures. The standard specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other PFRS. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate.

A subsidiary has public accountability if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

An entity electing to apply PFRS 19 applies the requirements in other PFRS, except for the disclosure requirements. Instead of the disclosure requirements, the entity applies the requirements in PFRS 19. Therefore, an entity applying PFRS 19 is not required to apply the disclosure requirements in other PFRS nor apply any statements about, or references to, those disclosure requirements except for certain exceptions. An entity is required to consider whether to provide additional disclosures when compliance with the specific requirements in PFRS 19 is insufficient to enable users of financial statements to understand the effect of transactions and other events and conditions on the entity's financial position and financial performance.

The new standard is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted provided that this fact is disclosed.

The management assessed that the amendments are not applicable to the Company.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and PFRS 7). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of *PFRS 9, Financial Instruments*. The amendments include:

- a) derecognition of financial liability settled through electronic transfer - The amendments to the application guidance of PFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- b) classification of financial assets - The amendments provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement, enhance description of the term 'non-recourse' and clarify the characteristics of contractually linked instruments that distinguish them from other transactions.
- c) disclosures - The requirements in PFRS 7 are amended for disclosures that an entity provides in respect of investments in equity instruments designated at fair value through other comprehensive income. The amendments also require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

The amendments also include amendments to *PFRS 19, Subsidiaries without Public Accountability: Disclosures*, which limit the disclosure requirements for qualifying subsidiaries.

The amendments are effective for reporting periods beginning on or after 1 January 2026, with earlier application permitted provided that this fact is disclosed.

Annual Improvements to PFRS — Volume 11. The pronouncement comprises the following amendments:

- PFRS 1: Hedge accounting by a first-time adopter - The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9 Financial Instruments.
- PFRS 7: Gain or loss on derecognition - The amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13 Fair Value Measurement was issued.

- PFRS 7: Disclosure of deferred difference between fair value and transaction price - The amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
- PFRS 7: Introduction and credit risk disclosures - The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.
- PFRS 9: Lessee derecognition of lease liabilities - The amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.
- PFRS 9: Transaction price - The amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15 Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.
- PFRS 10: Determination of a 'de facto agent' - The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
- PAS 7: Cost method - The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.

The amendments are effective for reporting periods beginning on or after 1 January 2026, with earlier application permitted provided that this fact is disclosed.

The Company has not early adopted the previously mentioned new, amended and improved accounting standards and interpretations. The Company continues to assess the impact of the above new, amended and improved accounting standards and interpretations that are effective subsequent to January 1, 2025 on its financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the financial statements when these amendments are adopted.

Determination of Fair Value and Fair Value Hierarchy

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

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

Fair value measurement disclosures of financial and non-financial assets are presented in Note 18 to the financial statements.

“Day 1” difference

When the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in the statements of comprehensive income unless it qualifies for recognition as some other type of asset or liability. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statements of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference amount.

Financial Instruments

Initial recognition, measurement and classification

The Company recognizes financial assets and financial liabilities in the statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments includes transaction costs, except for those financial assets and liabilities at fair value through profit or loss (FVPL) where the transaction costs are charged to expenses in the period incurred.

The Company classifies its financial assets as subsequently measured at amortized cost, FVOCI and FVPL. The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing the financial assets. The Company's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company classifies its financial liabilities as subsequently measured at amortized cost using the effective interest method.

Financial assets at amortized cost

Financial assets are measured at amortized cost when both of the following conditions are met:

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

After initial measurement, financial assets at amortized cost are subsequently measured using the effective interest method less allowance for impairment. Gains and losses are recognized in the statements of comprehensive income when the financial assets at amortized cost are derecognized, modified or impaired.

These financial assets are included in current assets if maturity is within twelve (12) months from the end of reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2025 and 2024, included under financial assets at amortized cost are the Company's cash and advances to related parties (see Notes 5 and 11).

Cash

The Company's cash represents cash in bank that is not legally restricted for use, which carries interest at respective bank deposit rate.

Advances to related parties

Advances to related parties represent promissory notes from TWGI and Forum Exploration Inc. (FEI) pertaining to cash advances for working capital and value of exploration of assets transferred to the Company.

Equity instruments designated at FVOCI

Upon initial recognition, the Company may make an irrevocable election to present in other comprehensive income changes in the fair value of an equity investment that is not held for trading. The classification is determined on an instrument-by-instrument basis. When the equity instrument is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is not subsequently reclassified to profit or loss, but is transferred to retained earnings. Dividends on such investments are recognized in profit or loss when the right of payment has been established, except when the dividends represent a recovery of part of the cost of the investment, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment. These financial assets are classified as noncurrent assets.

As at December 31, 2025 and 2024, the Company elected to classify irrevocably its quoted and unquoted equity investments under this category (see Note 7).

Financial liabilities at amortized cost

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading, or designated at FVPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

As at December 31, 2025 and 2024, included in financial liabilities at amortized cost are the Company's accounts payable and other liabilities (excluding government liabilities), lease liability and advances from a related party (see Notes 9 and 11).

Accounts payable and other liabilities

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other current liabilities include non-trade payables, accrued expenses and due to government agencies. Accounts payable and other liabilities are classified as current liabilities if payment is due within one year or less or in the normal operating cycle of the business if longer while non-trade payables are classified as current liabilities if payment is due within one year or less. Otherwise, these are presented as noncurrent liabilities.

Lease liability

Lease liability represents the Company's obligation to make lease payments for all leases with a term of more than 12 months, unless the underlying asset is of low value is effectively treated as a financial liability which is measured at amortized cost, using the incremental borrowing rate of the Company.

Advances from a related party

Represents cash advances from a related party for working capital requirements.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Derecognition of Financial Instruments

Financial assets

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

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to third party under a "pass-through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

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

Financial liabilities

A financial liability is derecognized when the obligation under the liability was discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

Impairment of Financial Assets

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments that are measured at amortized cost. ECL is a probability-weighted estimate of credit losses over the expected life of the financial asset.

Credit losses are the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognized in two stages. The Company assesses at each end of the reporting period whether the credit risk on a financial asset has increased significantly since initial recognition. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is measured at an amount equal to the lifetime ECL. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, a loss allowance is measured at an amount equal to 12-month ECL. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting period.

For advances to related parties, the Company applied lifetime ECL calculation. To measure ECL, advances to related parties have been grouped based on shared risk characteristics and the days past due.

When the credit risk on financial instruments for which lifetime ECL have been recognized subsequently improves, and the requirement for recognizing lifetime ECL is no longer met, the loss allowance is measured at an amount equal to 12-month ECL at the current reporting period, except for assets for which simplified approach was used.

The Company recognizes impairment loss (reversals) in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the statements of financial position.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the end of reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are one day past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the end of reporting period. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of investment grade in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of performing. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Parent Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than one year past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lenders would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables and contract assets, when the amounts are over five years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Input Tax

Input tax pertains to indirect tax paid by the Company on its local purchase of goods and services from a value-added tax (VAT)-registered person. Input tax is deducted against output tax in arriving at the VAT due and payable.

The Company's input tax is initially recognized at face value and subsequently measured at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide for potential uncollectible portion 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 loss.

Right-of-use Asset

Right-of-use asset represents lessee's right to use an asset over the lease term.

The Company recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is initially measured at cost which includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use asset is depreciated on a straight-line basis over the lease term of two years which is shorter than its estimated useful life.

When right-of-use are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any of its assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Retirement Benefits

The Company does not provide any retirement benefits because it does not have any employee. The Company's administrative functions are performed by TWGI.

Income Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income. Deferred income tax is determined using tax rates and laws, in the period the temporary difference is expected to be recovered or settled, that have been enacted or substantively enacted as at reporting period.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each reporting date the Company reassess the need to recognize previously unrecognized deferred income tax asset.

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

The Company reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company elects to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

Related Parties and Related Party Transactions

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Related party relationship exists when: (a) a person or a close member of that person's family has control or joint control, has significant influence or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity; and (b) when any of the following conditions apply: (i) the entity and the Company are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party; (v) the entity is a post-employment benefit plan for the benefit of employees of the Company; (vi) the entity is controlled or jointly controlled by a person as identified in (a) above; (vii) the entity or any member of a group of which it is part, provides key management personnel services to the Company or to the parent of the Company; (viii) a person identified in (a) above has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.

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

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are measured (initial and subsequent) at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and time value of money is material, the initial measurement is on a present value basis.

Capital stock represents the par value of shares that have been issued at the end of the reporting period.

Subscribed capital stock represents the par value of the subscribed shares.

Subscription receivables represent par value of the shares subscribed but the Company has not yet received the payments from the subscriber.

Treasury shares represent own equity instruments reacquired, the amount of the consideration paid, including directly attributable cost, net of any tax effects, is recognized as a reduction from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as Additional paid-in capital. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to Additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Unrealized fair value gain on financial assets at FVOCI represents accumulated gains from increase in the market value of financial assets at FVOCI.

Deficit includes all current and prior period accumulated losses as disclosed in the statements of comprehensive income.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Interest income is recognized as it accrues (using the effective interest method i.e., the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Cost and Expense Recognition

Cost and expenses are recognized in statements of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in statements of comprehensive income: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive income are presented using the nature of expense method.

Foreign Currency Denominated Transactions

Foreign currency transactions are initially recognized by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in terms of historical cost are translated using the foreign exchange rate at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Basic Income Per Share

Basic income per share is calculated by dividing the income by the weighted average number of common shares issued during the year, excluding common shares purchased by the Company and held as treasury shares.

Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made with the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, an increase in the provision due to the passage of time is recognized as an interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in the statement of comprehensive income, net of any reimbursement.

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 benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

Events after the Reporting Date

The Company identifies post-year events that occurred after the reporting date but before the date when the Company financial statements were authorized for issue. Post year-end events that provide additional information about the Company's position at the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the financial statements when material.

4. MATERIAL ACCOUNTING JUDGMENTS, AND ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments and estimates that affect amounts reported in the Company's financial statements. These judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company believes the following represent a summary of these material judgments and estimate and related impact and associated risks in the Company's financial statements.

Material Accounting Judgment in Applying the Company's Accounting Policies

Assessing the Company's Going Concern

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to 12 months from the reporting date. The degree of consideration and available information depends on the facts and wide range of factors that the management may need to consider (e.g., current and expected profitability, debt repayment schedules and potential sources of replacement financing). As at December 31, 2025 and 2024, the Company still continues to use the going concern basis of accounting.

Leases

The Company has entered into contracts of lease for its office space it occupies. The Company determines the contract if there is a substance of lease. In determining the substance of the lease, the Company considered, among others, whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Based on management judgment, the Company's lease for its office space has substance of lease, thus, the Company recognized right-of-use asset representing the right to use the leased asset and lease liability representing its obligation to make lease payments.

Classifying financial instruments

The Company exercises judgment in classifying financial instruments in accordance with PFRS 9. The Company classifies a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the Company's business model and its contractual cash flow characteristics and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position. Accordingly, the Company classified its cash in banks, trade and other receivables, due from related parties and other noncurrent assets as financial assets at amortized cost because these are mainly held to receive contractual cash flow.

Material Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

Determining the Fair Value of Financial Assets and Liabilities

The fair values of financial assets and liabilities that are not quoted in active market are determined by using generally accepted valuation techniques. Valuation involves significant judgement and it is likely that different valuation techniques will provide different results. This is because the inputs used, and any adjustments to those inputs, may differ depending on the technique used.

Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. Inputs used in these models are from observable data and quoted market prices in respect of similar financial instruments.

All models are approved by the BOD before these are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions about these factors could affect reported fair value of financial instruments. The Company considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the fair value of financial instruments that are not quoted in active market.

Information on fair values of financial assets and liabilities are disclosed in Note 18.

Impairment of input tax

Management believes that the recoverability of input tax is doubtful since the Company is not expecting income subject to output tax in the near future. Consequently, the Company has provided full valuation allowance of its input tax in 2025 and 2024.

The Company's input tax amounted to ₱1,819,487 and ₱2,325,446 as at December 31, 2025 and 2024, respectively, with full valuation allowance (see Note 6).

Deferred tax assets

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

Due to non-operation of the Company, management expects that the Company will continue to incur losses and the related deferred tax assets will not be utilized in the near future. The Company's unrecognized deferred tax assets are fully disclosed in Note 14.

The Company's unrecognized deferred tax assets amounted to ₱1,124,050 and ₱1,230,950 as at December 31, 2025 and 2024, respectively (see Note 14).

Allowance for impairment of advances to related parties

Allowance for impairment of advances to related parties is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on the status of the advances to related parties, past collection experience and other factors that may affect collectibility.

Advances to related parties amounted to ₱245,615,268 and ₱242,087,403, net of allowance for impairment loss of ₱242,526,151 as at December 31, 2025 and 2024, respectively (see Note 11).

Allowance for impairment on financial assets at FVOCI

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. Since management has assessed that the financial assets at FVOCI cannot be recovered and the decline in book value per share is other than temporary, the Company has provided allowance for impairment loss.

The Company's financial assets at FVOCI amounted to ₱19,170,397 and ₱15,907,621, net of allowance amounted to ₱20,000,000 as at December 31, 2025 and 2024, respectively (see Note 7).

5. CASH

Cash represents cash in bank with outstanding balance of ₱194,184 and ₱91,574 as at December 31, 2025 and 2024, respectively. Interest income earned from bank deposits were ₱37, ₱98 and ₱122 for the years ended December 31, 2025, 2024 and 2023, respectively (see Note 13).

Cash in bank generally earns interest at annual rates based on daily bank deposit rates of 0.0625% per annum in 2025 and 2024.

There is no restriction on the Company's cash in bank as at December 31, 2025 and 2024.

6. PREPAYMENTS AND OTHER CURRENT ASSETS (net)

Prepayments and other current assets (net) as at December 31 consist of:

	2025	2024
Input tax	₱ 1,819,487	₱ 2,325,446
Less: Valuation allowance on input tax	(1,819,487)	(2,325,446)
Other current assets	42,113	41,213
	₱ 42,113	₱ 41,213

Movements in the allowance on input tax are as follows:

	2025	2024
Balance at beginning of the year	₱ 2,325,446	₱ 2,833,692
Recovery during the year – note 13	(505,959)	(508,246)
Balance at end of year	₱1,819,487	₱2,325,446

Other current assets mainly pertain to the Company's cash in bank that was subjected to garnishment.

The Company has provided full valuation allowance on its input tax since they are not expecting to generate income subject to VAT on which it can claim all its input tax against its output tax.

7. FINANCIAL ASSETS AT FVOCI

Financial assets at FVOCI as at December 31 consist of:

	2025	2024
Unquoted shares		
Cost	₱65,711,573	₱65,711,573
Unrealized fair value loss	(62,604,074)	(62,604,074)
	3,107,499	3,107,499
Quoted shares		
Cost	7,529,480	7,529,480
Unrealized fair value gain	8,533,418	5,270,642
	16,062,898	12,800,122
	₱19,170,397	₱15,907,621

Investment in unquoted shares of stock represents ownership of the Company in FEI (see Note 11) and TLCDC. These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee would which manifest control, joint control or significant influence.

Investment in quoted shares of stock represents ownership investment in Philippine Estates Corporation (PHES), a publicly listed Company.

The fair value of these shares has been determined directly by reference to published prices in the active market. However, fair value of investment in unquoted shares is determined by adjusted net assets method.

The movements in the unrealized fair value gain on financial assets at FVOCI are as follows:

	2025	2024	2023
At beginning of year	(₱57,333,432)	₱ 8,533,418	₱11,294,228
Unrealized fair value gain (loss) during the year	3,262,776	(65,866,850)	(2,760,810)
At end of year	(₱54,070,656)	(₱57,333,432)	₱ 8,533,418

The Company's financial assets at FVOCI as at December 31, 2025 and 2024 are not held as collateral for its financial liabilities.

8. RIGHT-OF-USE ASSET (net)

The reconciliation of right-of-use asset for the years ended December 31 are as follows:

	2025	2024
Cost		
Balance at beginning of year	₱272,934	₱285,077
Additions	–	272,934
Write-off	–	(285,077)
Balance at end of year	272,934	272,934
Accumulated depreciation		
At beginning of year	90,977	237,564
Depreciation – note 12	136,467	138,490
Write-off	–	(285,077)
At end of year	227,444	90,977
Net carrying amounts, December 31	₱45,490	₱181,957

Write-off of right-of-use assets pertains to expired lease contracts.

Based on the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at December 31, 2025 and 2024.

9. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities as at December 31 consist of:

	2025	2024
Deferred output VAT	₱2,165,616	₱2,165,616
Accrued expenses	378,000	367,000
Withholding taxes	7,325	7,325
	₱2,550,941	₱2,539,941

Accrued expenses pertain to unpaid professional fees.

There were no assets of the Company that were collateralized for the above accounts payable and other liabilities.

10. CAPITAL STOCK

Details of the Company's capital stock as at December 31 are as follows:

	2025	2024
Authorized – 3,500,000,000 shares at ₱1 par value per share	₱ 3,500,000,000	₱ 3,500,000,000
Subscribed – 1,875,000,000 shares at ₱1 par value per share	1,875,000,000	1,875,000,000
Less: Subscription receivables	(666,916,379)	(667,456,379)
Subscribed and paid-up – 1,208,083,621 shares in 2025 and 1,207,543,621 shares in 2024 at ₱1 par value per share	1,208,083,621	1,207,543,621
Treasury stock – 36,056,750 shares at ₱1 par value per share	(36,056,750)	(36,056,750)
	₱1,172,026,871	₱1,171,486,871

Movement in capital stock as at December 31, is as follows:

	2025	2024
Issued and outstanding, beginning	₱1,207,543,621	₱1,207,543,621
Issuance of capital stock during the year	540,000	–
Issued and outstanding, ending	₱1,208,083,621	₱1,207,543,621

The Company has one class of common shares which carry no right to fixed income. There were no shares of the Company reserved for issue under options and contracts for the sale of shares as at December 31, 2025 and 2024.

Track record of registration of securities

The Company was originally registered as Cophil Exploration, Inc. with the SEC on January 8, 1993. The Company was listed with the PSE on December 19, 1994 with initial registered shares of 50 billion at ₱0.01 par value per share.

On September 2, 1996, the BOD and stockholders approved a resolution to amend the Company's Article of Incorporation by changing the par value per share of ₱0.01 to ₱1.00, removing the preemptive rights of shareholders and increasing authorized capital stock from ₱500 million divided by 50 billion shares to ₱2 billion divided into 2 billion shares. On September 27, 1996, SEC approved the amendment on the Company's capital structure.

On August 22, 1997, the BOD and the stockholders approved a further increase in the Company's authorized capital stock from ₱2 billion to ₱3.5 billion divided into 3.5 billion shares with a par value of ₱1 per share. On March 11, 1998, SEC approved the Company's increased in authorized capital stock.

The Company has 1.5 billion shares listed and traded in the PSE as at December 31, 2025 and 2024.

The historical market values of the Company's share are as follows:

December 31, 2025	₱0.24
December 31, 2024	0.21
December 31, 2023	0.27

The Company has 855 and 857 stockholders as at December 31, 2025 and 2024, respectively.

11. RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured, non-interest bearing and with no definite terms of repayments period. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting arrangement.

Details of related party relationships, transactions and balances are as follows:

Related parties and relationships	Amount of transactions		Outstanding receivable		Terms and Condition
	2025	2024	2025	2024	
<u>With common key management</u>					
TWGI					
Cash advance (payments)	(P2,405,330)	(P2,921,291)	P286,597,152	P289,002,482	(a) Unsecured,
Interest income	5,933,195	5,933,195	29,913,191	23,979,996	(a) partially impaired
Consultancy agreement	(480,000)	(480,000)	—	—	(a)
Rental and utilities	(222,000)	(222,000)	—	—	(a)
FEI					
Transfer of assets	—	—	171,631,076	171,631,076	(b) Unsecured, fully impaired
	2,825,865	2,309,904	488,141,419	484,613,554	
Impairment loss	—	(21,320,767)	(242,526,151)	(242,526,151)	(c)
	P 2,825,865	(P18,308,863)	P 245,615,268	P242,087,403	
<u>With common key management</u>					
FEI, Ltd.					
Cash advance for working capital	P —	P —	P 4,874,984	P 4,796,623	(d) Unsecured

(a) Advances to TWGI

On December 16, 2020, TWGI issued a new promissory note amounting to P296,659,777 in favor of the Company. The term of the loan was five years which matured on December 15, 2025, bearing an interest of 2% per annum. On December 18, 2025, the promissory note was extended for additional five (5) years maturing on December 16, 2030. Accrued interest receivable for this promissory note amounted to P29,913,191 and P23,979,996 as at December 31, 2025 and 2024, respectively.

However, the Company entered into the following contracts with TWGI, which in return, amounts incurred by the former will be used to settle the outstanding advances:

- The Company leases an office space from TWGI in May 2014. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been renewed four times since then and is currently valid until April 30, 2026.

Utilities expense charged to operations amounted to P72,000 for the years ended December 31, 2025, 2024 and 2023 (see Note 12).

The Company recognized the asset as ‘right-of-use asset’ and corresponding lease liability. The present value of the lease liability as at December 31 is as follows:

	2025	2024
Current	₱ 46,930	₱ 137,908
Noncurrent	–	46,930
	₱ 46,930	₱ 184,838

The future minimum lease payments as at December 31 are as follows:

	2025	2024
Not later than one year	₱ 50,000	₱ 150,000
Later than one year but not later than five years	–	50,000
Future minimum lease payments	50,000	200,000
Amounts representing finance charges	(3,070)	(15,162)
	₱ 46,930	₱ 184,838

The net carrying amount of the right-of-use asset recognized as at December 31, 2025 and 2024 is disclosed in Note 8.

Total finance costs charged to operations amounted to ₱12,092, ₱13,581 and ₱6,651 for the years ended December 31, 2025, 2024 and 2023, respectively.

- In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed five times since then and is currently valid until April 30, 2026. Total management fee charged to operations amounted to ₱480,000 for the years ended December 31, 2025, 2024 and 2023 (see Note 12).

The Company had provided allowance for ECL on advances to TWGI prior to agreements entered into to settle the outstanding advances. Allowance for ECL is evaluated annually based on historical data and current condition of TWGI adjusted with forward looking information. Allowance for ECL will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

(b) Advances to FEI

FEI is a legal and beneficial owner of 100% interest in Service Contract (SC) 40, an upstream oil and gas contract area in the Philippines, entered with the Philippine Government through the Department of Energy (DOE). Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MSCF) and 78.66 MSCF since the start of production in 2012.

FEI has also implemented Work Program and Budget as approved by DOE on November 17, 2014 which includes, among others, a commitment to perform land gravity survey over the Dalingding Structure starting March 2015. Since 2014, FEI has performed geological and geophysical study aimed to identify and prioritize highly prospective areas for future exploration.

The Company has outstanding advances to FEI pertaining to the value of exploration assets transferred by the Company.

The Company is positive on FEI's success on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at December 31, 2025 and 2024, FEI has not yet returned the value of the exploration assets that the Company transferred.

(c) Allowance for ECL

Certain advances to related parties were found to be impaired, hence, adequate amounts of allowance for ECL have been recognized (see Note 16).

	2025	2024
At beginning of year	₱242,526,151	₱221,205,384
Provision for impairment – note 13	–	21,320,767
At end of year	₱242,526,151	₱242,526,151

(d) Advances from FORUM GSEC 101 Ltd. (Forum Exploration, Inc. Ltd. (FEI – Ltd.))

The Company received USD denominated cash advances from FORUM GSEC 101 Ltd. (Jersey), Formerly FEI - Ltd. amounted to \$82,922 with no definite terms of payment and will be settled in USD.

	2025	2024
At beginning of year	₱4,796,623	₱4,591,391
Unrealized foreign exchange loss – note 13	78,361	205,232
At end of year	₱4,874,984	₱4,796,623

The Company was granted an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. The management assessed that the advances from the related party is not expected to be settled within 12 months from the reporting period. There have been no guarantees received for any related party payable.

(e) Remuneration to key management personnel

With the Company's tight cash position, management decided to suspend any form of compensation/ remuneration given to key management personnel.

(e) Others

The Company's administrative functions are performed by TWGI.

12. COSTS AND EXPENSES

Cost and expenses for the years ended December 31 consists of:

	2025	2024	2023
Professional fees	₱ 1,155,000	₱ 1,145,000	₱ 995,000
Management fees – note 11	480,000	480,000	480,000
Membership fees and dues	267,017	267,600	274,350
Depreciation – note 8	136,467	138,490	142,539
Publication fees	77,981	87,680	82,820
Utilities – note 11	72,000	72,000	72,000
Taxes and licenses	61,874	61,759	19,373
Donation	35,000	35,000	30,000
Office supplies	20,719	2,065	1,980
Travel and transportation	139	507	350
Miscellaneous	154,750	179,239	154,874
	₱ 2,460,947	₱ 2,469,340	₱ 2,253,286

Membership fees and dues include annual PSE listing and registration.

Miscellaneous expense mainly consists of website maintenance fees and deficiency tax.

13. OTHER INCOME (EXPENSES) - net

Other income (expenses) - net for the years ended December 31 consists of:

	2025	2024	2023
Interest income – notes 5 and 11	₱ 5,933,232	₱ 5,933,293	₱ 5,933,317
Recovery of (provision for) impairment on input tax – note 6	505,959	508,246	(199,458)
Provision for impairment on advances to related parties - note 11	–	(21,320,767)	–
Unrealized foreign exchange gain (loss) – note 11	(78,361)	(205,232)	31,925
	₱ 6,360,830	(₱15,084,460)	₱ 5,765,784

14. INCOME TAXES*Reconciliation of tax expense*

The reconciliation of income (loss) before income tax computed at the regular corporate income tax rate to the provision for income tax as shown in the statement of comprehensive income is as follows:

	2025	2024	2023
Income (loss) before income tax	₱3,887,791	(₱17,567,381)	₱ 3,505,847
Income tax benefit at statutory rate:	₱ 971,948	(₱ 4,391,845)	₱ 876,462
Income tax effect on:			
Interest income subjected to final tax	(9)	(25)	(30)
Nondeductible expense	8,750	5,351,442	20,287
Change in unrecognized deferred tax assets	(106,900)	(75,754)	41,883
	₱ 873,789	₱ 883,818	₱ 938,602

The composition of deferred tax assets (net) and liability as at December 31 is as follows:

	2025	2024
Deferred tax assets		
Provision for input VAT	₱ 454,872	₱ 581,361
Unrealized foreign exchange loss	669,178	649,589
Lease liability	11,733	46,210
	1,135,783	1,277,160
Unrecognized deferred tax assets	(1,124,050)	(1,230,950)
	₱ 11,733	₱ 46,210
Deferred tax liability		
Right-of-use asset	₱ 11,372	(₱ 45,489)

The Company has deductible temporary differences that are available for offset against future taxable income for which no deferred tax assets have been recognized in the financial statements. Deferred tax assets of the temporary differences amounting to ₱1,124,050 and ₱1,230,950 in 2025 and 2024, respectively, were not recognized as management believes that it is more likely than not, that the carry-forward benefits will not be realized in the future.

Deferred tax assets and liability are determined using the income tax rates in the periods the temporary differences are expected to be recovered or settled.

15. **INCOME (LOSS) PER SHARE**

The following table presents information necessary to calculate the income (loss) per share:

	2025	2024	2023
Net income (loss) for the year	₱ 3,014,002	(₱ 18,451,199)	₱2,567,245
Weighted average number of common shares outstanding during the year	1,172,026,871	1,171,486,871	1,171,486,871
	₱ 0.003	(₱ 0.016)	₱ 0.002

16. **FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to a variety of financial risks which results from both its operating and financing activities. The Company's risk management is coordinated with the BOD and focuses on actively securing the short-term cash flows to finance its operation.

The Company's principal financial instruments comprise of cash in bank, advances to related parties, financial assets at FVOCI, accounts payable and other liabilities (excluding liabilities to government agencies), lease liability and advances from a related party. The main purpose of these financial instruments is to raise financing for the Company's operations. The Company does not actively engage in trading of financial assets for speculative purposes nor does it have options.

The most significant financial risks in which the Company is exposed to are described below:

Credit risk

Credit risk refers to the risk that a counterparty will default its contractual obligation resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its financial assets which composed of cash and advances to related parties.

In order to minimize credit risk, the Company has developed and maintained internal credit risk grading to categorize exposures according to their degree of risk of default. The Company uses its own trading records to rate its major customers and other debtors.

The maximum credit risk exposure of the financial assets is the carrying amount of the financial assets shown on the face of statement of financial position, as summarized below:

		December 31, 2025			
		Basis of recognizing ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash in bank– note 5	(a)		₱ 194,184	₱ –	₱ 194,184
Advances to related parties – note 11	(b)	Lifetime ECL	488,141,420	(242,526,152)	245,615,268
Total			₱ 488,335,604	(₱ 242,526,152)	₱ 245,809,452

		December 31, 2024			
		Basis of recognizing ECL	Gross carrying amount	Loss allowance	Net carrying amount
Cash in bank– note 5	(a)		₱ 91,574	₱ –	₱ 91,574
Advances to related parties – note 11	(b)	Lifetime ECL	484,613,554	(242,526,151)	242,087,403
Total			₱ 484,705,128	(₱ 242,526,151)	₱ 242,178,977

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash as described below.

(a) Cash in bank

The credit risk for cash in bank is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in bank is insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱1,000,000 for every depositor per banking institution.

(b) Advances to related parties

For advances to related parties, the Company has applied the general approach to measure the loss allowance using the management's adopted policy on ECL.

The management continues to review receivable from related parties for any legally enforceable right to offset with liabilities with the expressed intention of the borrower to settle on a net basis.

Impaired accounts represent advances to related parties that have not paid for a while and for which the Company believes that a portion of the receivables may not be collected. The allowance is estimated based on the Company's estimate for accounts which it believes may no longer be collected.

As at December 31, 2025 and 2024, the Company has entered into agreements with its related party to settle the advances (see Note 11).

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company is mainly exposed to liquidity risk through its maturing liabilities. The Company has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

The Company manages liquidity risk through continuous collection of advances to related parties which is considered as cash inflow to finance its operation. The Company continuously monitoring forecast and actual cash flows and matching the maturity profiles of liabilities.

The details of the maturity analysis of the Company's liabilities are as follows:

December 31, 2025	Total	On demand	Less than three months	3 to 12 months	1 to 5 years
Account payable and other liabilities*	₱ 378,000	₱ –	₱ –	₱ 378,000	₱ –
Lease liability	46,930	–	–	46,930	–
Advances from a related party	4,874,984	–	–	–	4,874,984
	₱ 5,299,914	₱ –	₱ –	₱ 424,930	₱ 4,874,984

December 31, 2024	Total	On demand	Less than three months	3 to 12 months	1 to 5 years
Account payable and other liabilities*	₱ 367,000	₱ –	₱ –	₱ 367,000	₱ –
Lease liability	184,838	–	–	137,908	46,930
Advances from a related party	4,796,623	–	–	–	4,796,623
	₱ 5,348,461	₱ –	₱ –	₱ 504,908	₱ 4,843,553

*excluding government liabilities

The Company's current ratio is 0.07:1 and 0.04:1 as at December 31, 2025 and 2024, respectively. This shows that for every peso of currently maturing liabilities, the Company has a fund of ₱0.07 and ₱0.04 in 2025 and 2024, respectively to settle its obligations.

Equity price risk

Equity price risk is the risk that the fair value of equity instrument decreases as a result of changes in the value of individual stocks. The Company's exposure to equity price risk arises from investments held by the Company and classified in the Company's statements of financial position either as financial asset at FVOCI.

Equity instruments designated at FVOCI in listed and non-listed companies are held for strategic rather than trading purposes. The Company does not actively trade these investments. The Company also invested in portfolio of listed shares which are held for trading and has designated equity instrument in a non-listed Company at FVOCI.

If the price of the financial assets at FVOCI had been 10% higher/lower, other comprehensive income for the years ended December 31, 2025 and 2024 would decrease/increase by ₱1,917,040 and ₱1,590,762, respectively.

Foreign currency risk

The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to the U.S. dollars. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency.

Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The Company is mainly exposed to foreign currency risk through its advances from a related party of \$82,922 which amounted to ₱4,874,984 and ₱4,796,623 as at December 31, 2025 and 2024, respectively.

The sensitivity rate used on reporting foreign currency risk internally to key management personnel is 10% and it represents management's assessment of reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary assets and liabilities and adjusts their translation at the period end for a 10% in foreign exchange rates. A positive number indicates an increase in net income when the Philippine peso strengthens at 10% against the relevant currency. For 10% weakening of the Philippine peso against the relevant currency, there would be an equal and opposite impact on the net income.

If foreign exchange rates had been 10% higher/lower, the net income before tax would increase/decrease by \$8,292 in 2025 and 2024. Equity as at December 31, 2025 and 2024 would increase/decrease by \$6,219.

Capital Risk Objective and Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern.

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

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including accounts payable and other liabilities, lease liability and advances from a related party as shown in the statements of financial position) less cash. Total capital is calculated as equity as shown in the statements of financial position plus net debt.

Gearing ratio compares some form of owner's equity to borrowed funds. It is a measure of financial leverage demonstrating the degree to which the Company's activities are funded by owner's funds versus creditors' funds.

The gearing ratios as at December 31 were as follows:

	2025	2024
Debt	₱ 8,357,656	₱ 8,451,227
Cash	194,184	91,574
Net debt	8,163,472	8,359,653
Equity	256,721,529	249,904,751
Gearing ratio	0.032:1.00	0.033:1.00

The Company is subject to externally imposed capital requirement amounting to ₱6,250,000 which is the minimum paid-up capital requirement of SEC for mining companies. As at December 31, 2025 and 2024, the Company is in compliance with this externally imposed capital requirement.

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation of the changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes for the years ended December 31 is as follows:

	Balance as at January 1, 2025	Effect of foreign exchange rates	Changes from financing cash flows	Balance as at December 31, 2025
Advances from a related party	₱4,796,623	₱78,361	₱ -	₱4,874,984
Lease liability	184,838	-	(137,908)	46,930
	₱4,981,461	₱78,361	(₱ 137,908)	₱4,921,914

	Balance as at January 1, 2024	Effect of foreign exchange rates	New leases	Changes from financing cash flows	Balance as at December 31, 2024
Advances from a related party	₱4,591,391	₱205,232	₱ -	₱ -	₱4,796,623
Lease liability	48,323		272,934	(136,419)	184,838
	₱4,639,714	₱205,232	₱272,934	(₱ 136,419)	₱4,981,461

18. FAIR VALUE INFORMATION*Assets measured at fair value*

The following table gives information about how the fair values of the Company's assets, which are measured at fair value at the end of each reporting period, are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at December 31		Fair value hierarchy	Valuation techniques
	2025	2024		
Financial assets at FVOCI				
Quoted	₱16,062,898	₱12,800,122	Level 1	Quoted prices in an active market
Unquoted	3,107,499	3,107,499	Level 3	Adjusted net asset method
	₱19,170,397	₱15,907,621		

Assets and liabilities not measured at fair value

The following table gives information about how the fair values of the Company's assets and liabilities, which are not measured at fair value but the fair values are disclosed at the end of each reporting period, are determined.

	2025		2024		Valuation techniques	Fair value hierarchy
	Carrying Value	Fair Value	Carrying Value	Fair Value		
Financial Asset						
Advances to related parties	₱245,615,268	₱233,832,228	₱242,087,403	₱228,002,331	Discounted value of future cash flows	Level 3
Financial Liabilities						
Lease liability	₱ -	₱ -	₱ 46,930	₱ 44,200	Discounted value of future cash flows	Level 3
Advances from a related party	4,874,984	4,641,114	4,796,623	4,517,547	Discounted value of future cash flows	Level 3
	₱ 4,874,984	₱ 4,641,114	₱ 4,843,553	₱ 4,561,747		

For the long-term financial assets and liabilities, the fair value of the non-interest bearing noncurrent assets and liabilities are determined based on the discounted value of future cash flows using the prevailing credit adjusted PHP BVAL for 2025 and 2024 that are specific to the tenor of the instruments' cash flow as at reporting date. Discount rates used are 5.0391% in 2025 and 6.1776% in 2024.

The carrying amounts of cash in bank, accounts payable and other liabilities (excluding liabilities to government agencies), and current portion of lease liability approximate their fair values due to the relatively short-term maturities of these financial instruments.

19. SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

On December 28, 2010, Revenue Regulations (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS Accounting Standards.

a) Output Value-Added Tax

The Company declared output VAT for the year ended December 31, 2025 as follows:

	Gross revenues	Output VAT
Subject to 12% VAT	₱5,933,195	₱ 711,983
Zero rated	-	-
Exempt	-	-
Total	₱5,933,195	₱ 711,983

b) *Input Value-Added Tax*

	2025
At beginning of year	₱2,325,446
Current purchases and payments for:	
Domestic purchases of goods and services	206,024
	2,531,470
Claimed against output	(711,983)
	₱1,819,487

c) *Importations*

The Company did not pay nor accrue custom duties or tariff fees as the Company did not import any goods or equipment for the year ended December 31, 2025.

d) *Excise Tax*

The Company did not pay nor accrue any excise tax as there was no related transaction that requires the payment of the said tax for the year ended December 31, 2025.

e) *Documentary Stamp Tax*

The Company did not pay nor accrue any documentary stamp tax as there was no related transaction that requires the payment of the said tax for the year ended December 31, 2025.

f) *Taxes and licenses*

Details of taxes and licenses account are broken down as follows:

	2025
Business permits	₱59,002
Community tax	2,872
	₱61,874

g) *Withholding taxes*

The total amount of expanded withholding tax accrued and paid is ₱99,852 for the year ended December 31, 2025.

h) *Deficiency tax assessment and tax cases*

As at December 31, 2025, the Company had no deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR.

i.) *Other information*

All other information prescribed to be disclosed by the BIR has been included in this Note.

* * *

Statement Required by Rule 68, Part I, Section 3.F,
Revised Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
FORUM PACIFIC, INC.
35th Floor, One Corporate Center
Doña Julia Vargas Ave., corner Meralco Avenue
Ortigas Center, Pasig City

We have audited the accompanying financial statements of **Forum Pacific, Inc.** (the 'Company'), as at and for the year ended December 31, 2025, on which we have rendered the attached report dated March 18, 2026. In connection with our audit, we obtained a certification from the Company's corporate secretary as to the number of stockholders and their corresponding shareholdings as at December 31, 2025. In relation to the certification issued by the corporate secretary, we conducted certain tests necessary to validate the related Company's entries and balances.

In compliance with Revised SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of the work performed, as at December 31, 2025, the Company has eight hundred forty-nine (849) stockholders owning one hundred (100) or more shares each.

DIAZ MURILLO DALUPAN AND COMPANY


Tax Identification No. 003-294-822

BOA/PRC No. 0234, effective until June 23, 2026

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and
valid in the audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001911-000-2025, effective until March 11, 2028

By:


Richard Noel M. Ponce
Partner

CPA Certificate No. 120457

SEC Accreditation No. 1738-A, Group A, issued on March 31, 2022 and
valid in the audit of 2021 to 2025 financial statements

Tax Identification No. 257-600-228

PTR No. 10771458, January 1, 2026, Makati City

BIR Accreditation No. 08-001911-006-2025, effective until October 10, 2028

April 10, 2026

Global Reach, Global Quality

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 8894 5892 / 8844 9421 / Fax: +63(2) 8818 1872
Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8029
Davao Office : 3rd Floor Building B Plaza De Luisa, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 6636
Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone +63(48) 716 1580
Website : www.dmdcpa.com.ph

**Independent Auditors' Report on
Components of Financial Soundness Indicators**


To the Board of Directors and Stockholders of
FORUM PACIFIC, INC.
35th Floor, One Corporate Center
Doña Julia Vargas Ave., corner Meralco Avenue
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **Forum Pacific, Inc.** (the 'Company') as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 18, 2026. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, is the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

DIAZ MURILLO DALUPAN AND COMPANY

Tax Identification No. 003-294-822
BOA/PRC No. 0234, effective until June 23, 2026
SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and
valid in the audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001911-000-2025, effective until March 11, 2028

By:


Richard Noel M. Ponce
Partner
CPA Certificate No. 120457
SEC Accreditation No. 1738-A, Group A, issued on March 31, 2022 and
valid in the audit of 2021 to 2025 financial statements
Tax Identification No. 257-600-228
PTR No. 10771458, January 1, 2026, Makati City
BIR Accreditation No. 08-001911-006-2025, effective until October 10, 2028

April 10, 2026

Global Reach, Global Quality

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 8894 5892 / 8844 9421 / Fax: +63(2) 8818 1872
Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8029
Davao Office : 3rd Floor Building B Plaza De Luisa, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 6636
Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone +63(48) 716 1580
Website : www.dmdcpa.com.ph

FORUM PACIFIC, INC.
SCHEDULE SHOWING FINANCIAL SOUNDNESS
PURSUANT TO REVISED SRC RULE 68
DECEMBER 31, 2025

Ratio	Formula	2025	2024
Profitability ratios: Return on assets	Net income	3,014,002	NA
	Divided by: Total assets	265,079,185	258,355,978
	Return on assets	0.01:1	NA
Return on equity	Net income	3,014,002	NA
	Divided by: Total equity	256,721,529	249,904,751
	Return on equity	0.01:1	NA
Net profit margin	Net income	3,014,002	NA
	Divided by: Total revenue	-	-
	Net profit margin	NA	NA
Gross profit margin	Total revenue	P -	P -
	Less: Cost of service	-	-
	Gross profit	-	-
	Divided by: Total revenue	-	-
	Gross profit margin	NA	NA
Solvency and liquidity ratios: Current ratio	Current assets	P 236,297	P 132,787
	Divided by: Current liabilities	3,471,300	3,562,185
	Current ratio	0.07:1	0.04:1
Debt to equity ratio	Total liabilities	P 8,357,656	P 8,451,227
	Divided by: Total shareholder's equity	256,721,529	249,904,751
	Debt to equity ratio	0.03:1	0.03:1
Quick ratio	Quick assets*	P 194,184	P 91,574
	Divided by: Current liabilities	3,471,300	3,538,316
	Quick ratio	0.06:1	0.03:1
Cashflow liquidity ratio	Cashflow from operations	(P 2,692,720)	(P 2,775,558)
	Divided by: Current liabilities	3,471,300	3,562,185
	Cashflow liquidity ratio	(0.78:1)	(0.78:1)
Financial leverage ratio Asset to equity ratio	Total assets	P 265,079,185	P 258,355,978
	Divided by: Total shareholder's equity	256,721,529	249,904,751
	Asset to equity ratio	1.03:1	1.03:1
Debt to asset ratio	Total liabilities	P 8,357,656	P 8,451,227
	Divided by: Total assets	265,079,185	258,355,978
	Debt to asset ratio	0.03:1	0.03:1

*Includes Cash

**Statement Required by Rule 68, Part I, Section 5,
Revised Securities Regulation Code (SRC)**

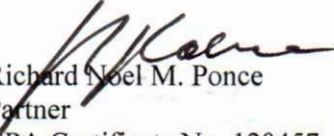
To the Board of Directors and Stockholders of
FORUM PACIFIC, INC.
35th Floor, One Corporate Center
Doña Julia Vargas Ave., corner Meralco Avenue
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of **Forum Pacific, Inc.** (the 'Company') as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 18, 2026. The supplementary information shown in *List of Supplementary Information* are presented for the purpose of filing with the Securities and Exchange Commission and are not required part of basic financial statements. Such information is the responsibility of management and has been subjected to auditing procedures applied in the audits of basic financial statements. In our opinion, the information has been prepared in accordance with Rule 68 of the Revised Securities Regulation Code.

DIAZ MURILLO DALUPAN AND COMPANY

Tax Identification No. 003-294-822
BOA/PRC No. 0234, effective until June 23, 2026
SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and
valid in the audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001911-000-2025, effective until March 11, 2028

By:


Richard Noel M. Ponce
Partner
CPA Certificate No. 120457
SEC Accreditation No. 1738-A, Group A, issued on March 31, 2022 and
valid in the audit of 2021 to 2025 financial statements
Tax Identification No. 257-600-228
PTR No. 10771458, January 1, 2026, Makati City
BIR Accreditation No. 08-001911-006-2025, effective until October 10, 2028

April 10, 2026

Global Reach, Global Quality

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 8894 5892 / 8844 9421 / Fax: +63(2) 8818 1872
Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8029
Davao Office : 3rd Floor Building B Plaza De Luisa, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 6636
Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone +63(48) 716 1580
Website : www.dmdcpa.com.ph

FORUM PACIFIC, INC.
List of Supplementary Information

Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68

- A. Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)
- B. Amounts Receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Affiliates)
- C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
- D. Long-Term Debt
- E. Indebtedness of Related Parties
- F. Guarantees of Securities of Other Issuers
- G. Capital Stock
- H. List of Top 20 Stockholders of Record

Other Required Information

Reconciliation of Retained Earnings Available for Dividend Declaration

Supplementary Schedule of External Auditor Fee-Related Information

FORUM PACIFIC, INC.
Schedule A. Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)
December 31, 2025

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Financial assets at FVOCI				
Philippine Estates Corporation	50,196,553	₱ 16,062,898	₱ 16,062,898	₱ –
Forum Exploration, Inc.	62,500,000	–	–	–
Taguig Lake City Development Corporation	125,000	3,107,499	–	–
Total financial assets at FVOCI	112,821,553	₱ 19,170,397	₱ 16,062,898	₱ –
Cash in bank	–	194,184	194,184	37
		₱ 19,364,581	₱ 16,257,082	₱ 37

FORUM PACIFIC, INC.
Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal
Stockholders (Other than Affiliates).
December 31, 2025

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions			Ending Balance		Balance at end of period
			Amounts collected	Amounts written-off	Current	Not Current		
The Wellex Group, Inc.	₱312,982,478	₱5,933,195	₱3,107,330	₱ –	₱ –	₱316,510,343	₱316,510,343	
Forum Exploration, Inc.	171,631,076	–	–	–	–	171,631,076	171,631,076	
Total	₱484,613,554	₱5,933,195	₱3,107,330	₱ –	₱ –	₱488,141,419	₱488,141,419	

FORUM PACIFIC, INC.

**Schedule C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation
of Financial Statement
December 31, 2025**

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
--------------------------------	--------------------------------	-----------	-------------------	---------------------	---------	-------------	--------------------------

Not Applicable

FORUM PACIFIC, INC.
Schedule D. Long Term Debt
December 31, 2025

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
---------------------------------------	--------------------------------	---	--

None

FORUM PACIFIC, INC.
Schedule E. Indebtedness to Affiliates and Related Parties (Long-Term Loans
from Related Companies)
December 31, 2025

Name of Affiliates	Balance at beginning of period	Balance at end of period
Forum Exploration Inc. Ltd.	₱ 4,796,623	₱ 4,874,984

FORUM PACIFIC, INC.
Schedule F. Guarantees of Securities of Other Issuers
December 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
--	---	---	---	---------------------

None

FORUM PACIFIC, INC.
Schedule G. Capital Stock
December 31, 2025

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees	Others
Common Stock	3,500,000,000	1,172,026,871	–	–	420,802	1,171,606,069

FORUM PACIFIC, INC.

**Schedule H. List of Top 20 Stockholders of Record
December 31, 2025**

Name of Stockholders	Citizenship	Tax Identification No.	Amount Subscribed	Percentage to total Outstanding
International Polymer Corporation	Filipino	210-000-232-426	₱ 496,887,494	26.50
PCD Nominee Corporation	Filipino	004-774-849-000	433,285,174	23.64
The Wellex Group, Inc.	Filipino	004-740-001-000	376,950,000	20.10
E.F. Durkee & Associates, Inc.	Filipino	321-002-155-628	77,838,563	4.15
Intra-Invest Sec., Inc.	Filipino	000-162-545-000	48,159,000	2.57
Metropolitan Management Corporation	Filipino	470-002-151-280	30,000,000	1.60
Juanito C. Uy	Filipino	127-179-750-000	22,625,001	1.21
Pacrim Energy N.L.	Others	324-668-750-000	21,000,000	1.12
Sapphire Securities, Inc.	Filipino	000-511-869-000	19,433,500	1.04
Benito Ong and/or Zita Y. Ong	Filipino	268-192-032-000	18,000,000	0.96
Nestor S. Mangio	Filipino	003-754-123-000	12,500,000	0.67
A & A Securities, Inc.	Filipino	000-103-110-000	11,911,320	0.64
Mark Securities Corporation	Filipino	000-544-789-000	10,772,800	0.57
PCD Nominnee Corp.	Others	004-774-849-000	9,430,050	0.50
Globalinks Sec. & Stocks, Inc.	Filipino	000-849-752-000	9,400,000	0.50
Belson Securities, Inc.	Filipino	000-154-219-000	9,200,000	0.49
Wealth Securities, Inc.	Filipino	000-330-678-000	8,240,000	0.44
Ruben M. Gan	Filipino	174-154-039-000	7,610,000	0.41
Li Chih-Hui	Filipino	004-454-732-000	7,100,000	0.38
David Go Securities Corporation	Filipino	000-320-855-000	6,880,000	0.37
			₱1,637,222,902	

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting ended December 31, 2025

FORUM PACIFIC, INC.

35th Floor, One Corporate Center Doña Julia Vargas Ave.,
corner Meralco Avenue Ortigas Center, Pasig City

Unappropriated Retained Earnings, beginning of reporting period	₱	—
Add: <u>Category A: Items that are directly credited to Unappropriated Retained Earnings</u>		
Reversal of Retained Earnings Appropriation/s	—	
Effect of restatements or prior-period adjustments	—	
Others	—	—
		<hr/>
Less: <u>Category B: Items that are directly debited to Unappropriated Retained Earnings</u>		
Dividend declaration during the reporting period	—	
Retained Earnings appropriated during the reporting period	—	
Effect of restatements or prior-period adjustments	—	
Others	—	—
		<hr/>
Unappropriated Retained Earnings, as adjusted		—
Add/Less: Net Income (loss) for the current year		—
Less: <u>Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</u>		
Equity in net income of associate/joint venture, net of dividends declared	—	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Unrealized fair value adjustment (mark-to-market gains) to financial instruments at fair value through profit or loss (FVTPL)	—	
Unrealized fair value gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a Result of certain transactions accounted for under the PFRS	—	
Sub-total		<hr/> <hr/>
Add: <u>Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</u>		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—	
Realized fair value adjustments (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Realized fair value gain of Investment Property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Sub-total		<hr/> <hr/>

Add: Category C.3: Unrealized income recognized in profit or loss in Prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	—
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Reversal of previously recorded fair value gain of Investment Property	—
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	—
Sub-total	—

Adjusted Net Income/Loss

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—
Sub-total	—

Add/Less: Category E: Adjustments related to relief granted by the SEC And BSP

Amortization of the effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others	—
Sub-total	—

Add/Less: Category F: Other items that should be excluded from the Determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	—
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—
Net movement in deferred tax asset and deferred tax liabilities	—
Related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	—
Adjustment due to deviation from PFRS/GAAP – gain (loss)	—
Others (Effect of adoption of PFRS)	—
Sub-total	—

Total Retained Earnings, end of the reporting period available for dividend

₱ —

FORUM PACIFIC, INC.

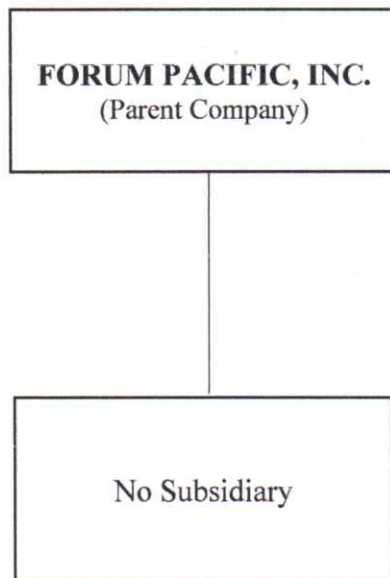
**Supplementary Schedule of External Auditor Fee-Related Information
December 31, 2025**

	2025	2024
Total Audit Fees	₱480,000	₱470,000
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Non-audit Fees	—	—
Total Audit and Non-audit Fees	₱480,000	₱470,000

Audit and Non-audit fees of other related entities

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

FORUM PACIFIC, INC.
Map of Conglomerate or Group of Companies within Which the Company Belongs
December 31, 2025





SECURITIES AND EXCHANGE COMMISSION

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



The following document has been received:

Receiving: DONNA ENCARNADO

Receipt Date and Time: April 23, 2026 09:39:06 AM

Company Information

SEC Registration No.: AS93000120

Company Name: FORUM PACIFIC INC

Industry Classification: J66940

Company Type: Stock Corporation

Document Information

Document ID: OST104232026811255382

Document Type: Quarterly Report

Document Code: SEC_Form_17-Q

Period Covered: March 31, 2026

Submission Type: Original Filing

Remarks: None

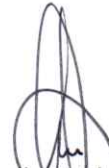
Acceptance of this document is subject to review of forms and contents

Certification

I, Annabelle T. Abunda, Finance and Compliance Officer of Forum Pacific, Inc., with SEC registration number AS93000120 with principal office at 35th Flr. One Corporate Center, Doña Julia Vargas, cor. Meralco Ave., Ortigas Center, Pasig City, on oath state:

- 1) That on behalf of Forum Pacific, Inc., I have caused this First (1st) Quarter Report SEC Form 17-Q 2026 to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the company, Forum Pacific, Inc., will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereto set my hands this APR 23 2026 day of _____, 2026.



Annabelle T. Abunda
Affiant
TIN: 205-231-659

SUBSCRIBED AND SWORN to before me this APR 23 2026 day of PASIG CITY, 2026.

NOTARY PUBLIC

FERDINAND D. AYALAO
Notary Public

For and in Pasig City and the Municipality of Pateros
Commission No. 122 (2026-2027) valid until 12/31/2027
MCLE Exemption No. VIII-DEP003334, until 04/14/28
Roll No. 46377; IBP LRN 00459; OR 553688; 06/21/2001
TIN 123-011-785; PTR 4018763AA; 01/09/26; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City, NCR, 1605 Philippines

DOC NO 426
PAGE NO. 87
BOOK NO. 33
SERIES OF 2026

COVER SHEET

A S 9 3 0 0 0 1 2 0

SEC Registration No.

F O R U M P A C I F I C , I N C.

(Company's Full Name)

3 5 F F L O O R O N E C O R P O R A T E C E N T R E

D O Ñ A J U L I A V A R G A S A V E . C O R .

M E R A L C O A V E . O R T I G A S , P A S I G

(Business Address : No. Street City / Town / Province)

Amando J. Ponsaran, Jr.

Contact Person

(632) 8706-7888

Contact Telephone No.

1 2

3 1

Fiscal Year

1 7 - Q

FORM TYPE

Every 3rd Monday
of July

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles
Number/Section

Amended Articles
Number/Section

854

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

1st Quarter Report: FPI

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 11
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the Quarter Period ended **March 31, 2026**
2. SEC Identification Number **AS93000120**
3. BIR Tax Identification No. **002-155-598-000**
4. **FORUM PACIFIC, INC.**
Exact name of registrant as specified in its charter
5. **Metro Manila, Philippines**
(Province, country or other jurisdiction of incorporation or organization)
6. (SEC Use only)
Industry Classification Code
7. **35/F One Corporate Centre, Doña Julia Vargas Ave. cor. Meralco Ave., Ortigas Center, Pasig**
Address of principal office
8. **Telephone No. 8706-7888**
Registrant's telephone number, including area code
9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA:

<u>Title of Each Class</u>	<u>No. of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Shares – ₱1.00 par value	Issued – ₱1,838,943,246 (Fully paid subscription – ₱690,679,167) (Partially paid subscription – ₱1,148,264,079)

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

Yes [x] No. []

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 there under, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes [x] No []

(b) has been subject to such filing requirements for the past 90 days.

Yes [x] No []

13. The aggregate market value of the voting stock held by non-affiliates: ₱260,464,937

14. Not Applicable

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

See Annex A.1 to A.5 and the accompanying notes to financial statements.

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

□ Unaudited Income Statements

	January – March 2026	January – March 2025
Revenues	P–	P–
Less: Costs and Expenses	685,703	609,341
Loss from Operation	(685,703)	(609,341)
Add: Other income (expenses)	(141,780)	52,663
Loss before Income Tax	(827,483)	(556,678)
Income Tax Expense	–	–
Net Loss for the quarter	(827,483)	(556,678)
Loss per share	(P0.0007)	(P0.0005)

□ Unaudited Balance Sheets

	As of March 31, 2026	As of March 31, 2025	As of December 31, 2025
Assets	P263,768,759	P259,442,162	P265,079,185
Liabilities	8,376,679	8,337,211	8,357,656
Stockholders' Equity	255,392,080	251,104,951	256,721,529
Total Liabilities & Stockholders' Equity	P263,768,759	P259,442,162	P265,079,185

Interim quarter ended March 31, 2026 compared with quarter ended March 31, 2025

RESULTS OF OPERATION

Exploration Results

Forum Pacific, Inc. (FPI) holds 33.33% interest in Forum Exploration, Inc.(FEI), a legal and beneficial owner of 100% interest in Service Contract (SC 40), an upstream oil and gas contract area in the Philippines, entered into with the Philippine Government through the Department of Energy (DOE). Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MMSCF) and 78.66 MMSCF since the start of production in 2012.

FEI has also implemented Work Program and Budget as approved by DOE last November 17, 2014 which includes, among others, a commitment to perform land gravity survey over the Dalingding Structure starting March 2015. Since 2014, FEI has performing geological and geophysical study aimed to identify and prioritize highly prospective areas for future exploration.

In June 2022, FEI contracted a drilling consultant to prepare a drilling program and budgets for two (2) wells, one of which will be located in the Dalingding Prospect, a reef structure defined by seismic with the Late Miocene to Pliocene-age Barili Limestone as the primary target. A well, Dalingding-1, was drilled in this structure in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 1,508 ft. FEI's recent re-evaluation of the prospect concluded that Dalingding-1 did not reach the Barili target, which is currently estimated at 1,830 ft, or 480 ft. below the well's final depth. A new well is proposed to be drilled down to 2,760 ft to reach the Barili Limestone.

An Independent Technical Evaluation involving a review of available data, project risking, and project economics of the Dalingding Prospects was completed during the first quarter of 2024. The results indicate that deterministic and probabilistic volumetric estimates for the prospect show mean resources of 10 billion cubic feet ("BCF") for a gas case and 3.5 million barrels of oil ("MMBO") for an Oil case.

In early 2024, the DOE approved FEI's proposal to conduct a magnetotelluric ("MT") survey to further evaluate the Dalinding Prospect. The survey aimed to define the top of the carbonate buildup and help its depth from the surface.

MT equipment testing and data acquisition in Daanbantayan, Cebu commenced on June 14, 2024, and was completed on September 2, 2024. A total of 30 stations were acquired on two (2) parallel lines oriented in a NW-SE direction, and 20 stations on one (1) perpendicular line oriented in a NE-SW direction.

On December 23, 2024, the proposed WP&B for 2025 was submitted to the DOE. It has a firm program that includes the continuation and finalization of the MT survey data processing and interpretation, as well as the technical re-evaluation of the Dalinding Prospect, wherein the MT data will be integrated with existing geological, geophysical, and well data.

The evaluation of the MT data was completed in April 2025. The results successfully mapped the presence of a reef boundary, presumably the Barili Limestone, identified through sharp resistivity contrasts with surrounding formations. However, the interpreted reef depth and thickness of the overlying seal vary, possibly due to data interpolation effects, as a significant amount of cultural noise had to be removed during the interpretation process.

A data integration study was carried out by FEI following receipt of the MT report; which was completed in June 2025. The subsurface resistivity data derived from the MT method show that resistivity can vary laterally within a formation, reflecting the differences in its physical properties. When combined with other geophysical methods, MT data can provide a more comprehensive understanding of subsurface geology. The study also concludes that, while seismic remains the primary tool for defining prospect structures, MT-derived resistivity can aid in predicting porosity and fluid type within seismically delineated geologic body. By integrating data from multiple geophysical tools and sources, the porosity distribution on the Barili Limestone surface was successfully estimated and mapped.

The Company is positive on FEI's on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at March 31, 2026 and 2025, FEI has not yet returned the value of the exploration assets that the Company transferred.

Revenues and Loss per share

Since the Company is exploring new business opportunities given the volatile situation of metal and oil prices in the global market, the Company has no revenues for the 1st quarter of 2026 and 2025.

The Company incurred losses of ₱0.8 million and ₱0.6 million for quarters ended March 31, 2026 and 2025, respectively. Loss per share for the 1st quarter of 2026 and 2025 were ₱0.0007 and ₱0.0005, respectively. In line with the plan for the next twelve months, the Board continue to explore business opportunities to aspire for maximized potential earnings.

Costs and Expenses

Costs and expenses for the 1st Quarter consisted primarily of dues and subscriptions, professional fees, rental, storage, taxes and licenses, transportation and miscellaneous.

Costs and expenses recorded for the 1st quarter of 2026 and 2025 were ₱685,703 and ₱609,341, respectively. Increase by ₱76,362 or 12.53% is due to increase in business permit paid for the 1st quarter and miscellaneous expense comprised of penalty paid to SEC for the company's noncompliance with the IACGR submission for the year 2022.

The Company has incurred other income/(expenses) amounting to (₱141,780) and ₱52,663 in the 1st quarter of 2026 and 2025, respectively. This is due to unrealized foreign exchange loss recorded for the 1st quarter of 2026 of ₱141,796 due to a higher USD to PHP conversion rate on the company's liability to

affiliate. On the other hand, reported unrealized foreign gain for the 1st quarter of 2025 was ₱52,663 due to lower USD to PHP conversion rate on such liability to affiliate.

FINANCIAL CONDITION

Current Assets

Current assets consist of cash in bank, input tax and other current assets. Cash in bank carries interest at respective bank deposit rate. On July 19, 2012, the Board of Directors approved the opening of a deposit account with Banco De Oro to facilitate the collection and disbursement processes of the Company. Input tax is stated at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, is maintained by the Company at a level considered adequate to provide potential uncollectible portion 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.

Balance of cash in bank as of March 31, 2026 and 2025 were ₱181,535 and ₱63,708, respectively. Starting April 27, 2024, pursuant to the revenue regulations issued by the Bureau of Internal Revenue (RR No.3-2024) prohibiting deferral of VAT, the company don't recognized provision for impairment of input VAT during the 1st quarter of 2026. Input VAT balance net of allowance for the quarter ended March 31, 2026 and 2025 were ₱82,213 and ₱80,897, respectively. The Company assessed that recorded balance of input VAT can now be used to offset against output VAT derived from recording interest income of advances at the 4th quarter of the year. Other current asset amounting to ₱38,213 for both quarters ended March 31, 2026 and 2025 pertains to cash in bank placed under garnishment in relation to labor case of previous employee filed against the company.

Non-Current Assets

Related Party Transaction Account

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured, non-interest bearing and with no definite terms of repayment period. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting.

Related Parties	Relationship	Outstanding Balance	
		March 31, 2026	March 31, 2025
The Wellex Group, Inc.	Common key management	₱315,631,220	₱312,256,753
Forum Exploration, Inc.	Common key management	171,631,076	171,631,076
Forum GSEC 101 Ltd.	Common key management	(5,016,781)	(4,743,968)

A. Advances to The Wellex Group, Inc. (TWGI)

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. The term of the loan was extended for another five (5) years or until December 15, 2030 at the same interest rate per annum. Accrued interest receivable for this promissory note amounted to ₱29,913,191 and ₱23,979,996 as at March 31, 2026 and 2025, respectively.

However, the Company entered into the following contracts with TWGI, which in return, amounts incurred by the former will be used to settle the outstanding advances:

- The Company leases an office space in May 2014 from The Wellex Group, Inc. (TWGI) located at the 35th Floor One Corporate Centre, Doña Julia Vargas Ave. corner Meralco Ave., Ortigas Center, Pasig City. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been rented four times since then and is currently valid until April 30, 2026. Office space quarterly rental including storage room usage and utilities is ₱55,500, exclusive of VAT and withholding tax for both periods ended March 31, 2026 and 2025.

The Company recognized the asset as 'right-of-use asset' and corresponding lease liability.

- In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed fifth times since then and is currently valid until April 30, 2026. Total management fee charged to operations amounted to ₱120,000 for both periods ended March 31, 2026 and 2025.

The Company had provided allowance for ECL on advances to TWGI prior to agreements entered into to settle the outstanding advances. Allowance for ECL is evaluated annually based on historical data and current condition of TWGI adjusted with forward looking information. Allowance for ECL will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

The carrying amount of advances to TWGI as at March 31 as follows:

	2026	2025
Advances	₱315,631,220	₱312,256,753
Allowance for impairment loss	(70,895,077)	(70,895,077)
Net carrying amount	₱244,736,143	₱241,361,676

The Company originally provides allowance for impairment amounting to ₱70,895,077 for both quarters ended March 31, 2026 and 2025, on advances to TWGI prior to agreements entered to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

B. Advances to Forum Exploration Inc. (FEI)

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company. Outstanding balance for the quarters ended March 31, 2026 and 2025 amounted to ₱171,631,076 for both quarters with full valuation allowance for impairment loss as follows:

	2026	2025
Advances	₱171,631,076	₱171,631,076
Allowance for impairment loss	(171,631,076)	(171,631,076)
Net carrying amount	₱-	₱-

The basis of providing full allowance for impairment loss on these advances was FEI's assessment that the value of exploration assets was already utilized in previous drilling and exploration activities done by FEI. In the event that these exploration assets will be converted into commercial producing units, a reversal of allowance for impairment will be made and an arrangement for collection of this advances will be discussed. The Company remains positive on FEI's success on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at March 31, 2026 and 2025, FEI has not yet returned the value of the exploration assets that the Company transferred.

C. Advances from FORUM GSEC 101 Ltd. (Forum Exploration, Inc Ltd)

The Company received USD denominated cash advances from Forum (FEI), Ltd. amounted to \$82,922 with no definite terms of payment and will be settled in USD. Balance as at March 31 as follows:

	2026	2025
At beginning of year	₱4,874,985	₱4,796,623
Allowance for impairment loss	141,796	52,655
Net carrying amount	₱5,016,781	₱4,743,968

Financial Assets at FVOCI (net)

Financial Assets at FVOCI as at March 31 consist of:

	2026	2025
Unquoted shares		
Balance at beginning and end of the quarter	₱65,711,573	₱65,711,573
Unrealized fair value loss	(62,604,073)	(62,604,073)
	3,107,500	3,107,500
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	8,031,451	7,027,520
	15,560,931	14,557,000
	₱18,668,431	₱17,664,500

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. (FEI) and Taguig Lake City Development Corporation (TLCDC). These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee which manifest control, joint control or significant influence. The Company believes that the carrying amount of these unquoted shares of stock approximates fair value.

Investment in quoted shares of stock represents ownership investment in Philippine Estates Corporation (PHES), a publicly listed Company. The fair value of these shares has been determined directly by reference to published prices in the active market

The Company's financial assets at FVOCI as at March 31, 2026 and 2025 are not held as collateral for its financial liabilities.

Right-Of-Use Asset (net)

Right-of-use asset are the asset that represents lessee's right to use an asset over the lease term. The carrying amount of right-of-use asset is ₱45,490 and ₱181,957 as of March 31, 2026 and 2025, respectively or a decrease by ₱136,467 or 75% due to renewal of lease contract.

The recognition of right-of-use asset has a corresponding lease liability. The present value of the lease liability – current amounted to ₱46,930 and ₱137,908 in March 31, 2026 and 2025, respectively, with a decrease by ₱90,978 or 66% and lease liability – noncurrent amounting to nil and ₱46,930 in March 31, 2026 and 2025, respectively. The right-of-use of asset is nearing its end of use term with option to renew for another 3 years.

Based in the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at March 31, 2026 and 2025.

Remuneration to key management personnel

With the Company's tight cash position, management decided to suspend any form of compensation given to key management personnel for the periods ended March 31, 2026 and 2025.

Others

The administrative function of the Company is performed by its related party, TWGI.

Current liabilities

This is primarily consisting of accounts payable and other current liabilities (including payable for retainer fees of legal counsels, quarterly website maintenance, accrued expenses, withholding taxes payable and deferred output VAT), lease liability – current and income tax payable. Total outstanding balance as at March 31, 2026 and 2025 amounted to ₱3,348,526 and ₱3,500,824, respectively or a decrease by ₱152,298 or 4.35%. This is mainly due to net effect of increase in accounts payable by ₱51,412, decrease in income tax payable by ₱10,907, increase in accrued expense by ₱1,000 and decrease in other current liabilities by ₱90,979.

The Top five (5) Key Performance Indicators are:

1. Advances to Related Parties – currently, The Wellex Group, Inc. (TWGI), one of the company's major stockholders, is funding all operational expenses of the Company. Total advances added/(deducted) as of March 31, 2026 and 2025 are (P879,124) and (P725,725), respectively.
2. Current Ratios – current assets against the current liabilities of the Company. It measures the Company's ability to pay short-term obligations. Current Ratio for the 1st Quarter of 2026 and 2025 are 9.17% and 5.36%, respectively.
3. Cash Ratio – the most conservative liquidity ratio. It excludes all current assets except the most liquid – cash and cash equivalents. It measures the amount of cash and cash equivalents there are in the current assets to cover current liabilities. The cash ratio of the company for the 1st Quarter of 2026 and 2025 are 5.42% and 1.82%, respectively.
4. Debt ratio - it is one of the financial leverage ratios which measure the extent to which the firm is using long term debt. Formula is total debt divided by total assets. Debt ratio for the 1st Quarter of 2026 and 2025 are 3.18% and 3.21%, respectively.
5. Debt-to-equity ratio - The formula is total debt divided by total equity. It indicates what proportion of equity and debt that the Company is using to finance its assets. The debt to equity ratio for the 1st Quarter of 2026 and 2025 are 3.28% and 3.32%, respectively.

Indicator	2026	2025
Advances ratio	0.28%	0.23%
Current ratio	9.17%	5.36%
Cash ratio	5.42%	1.82%
Debt ratio	3.18%	3.21%
Debt-to-equity ratio	3.28%	3.32%

(i) Summary of Material Trends, Events and Uncertainties

The shares of Forum Pacific, Inc. are listed and traded in Philippine Stock Exchange (PSE). The company was registered to engage in investing, purchasing and acquiring assets of any kind and description with the secondary purpose of engaging in the exploration, development and production of petroleum and related products, as well as other mineral and chemical substances. It is presently a holding company and owning shares of stocks of an exploration company.

Business Plans

To address the foregoing matters that may raise doubt on the Company's ability to continue as a going concern, the shareholders of the Company have committed in principle to provide full financial support to the Company in order to sustain its operations, meet the working capital requirements and settle obligations as they fall due.

The Company has been reviewing outstanding receivables and advances to affiliates and has designed collection programs to improve the Company's financial status. The board continues to evaluate calling for the remaining stock subscription as source of funds for future projects, with the aim of utilizing this process as a tool to fund capital intensive endeavors. The officers and major stockholders of the Company have committed to provide full financial support to the Company once its projects will materialize and a definite project is in place. The Company estimates that it will satisfy its capital funding within two (2) years from the finalization and approval of such business project plans.

The Company will prioritize the improvement of its financial position and exploring new business opportunities in oil and gas exploration and extraction, order to maintain strong and healthy cash flows, and at the same time, aspire for maximized potential earnings. However, the prospects are still undetermined, given the geo-political issues hounding territorial encroachment by the Chinese at the West Philippine Sea.

The management is still evaluating potential buyers who expressed interest to buy out the Company's remaining 33.33% capital stock investment in Forum Exploration, Inc. (FEI), a subsidiary of Pangilinan-led Forum Energy Plc and the project operator for Libertad Gas Field or Service Contract (SC40). Talks, however, with the three (3) interested groups are still on hold at the moment, pending clarification of several commercial issues.

FEI has been keen on reexamining the oil and gas prospects for SC40, and a new series for drilling programs are currently underway in Cebu in an effort to refine drilling data and improving on previous information already gathered in the previous depth targets. The Company is confident that the new drilling programs will bear good fruit.

Moving forward, the drive for self-sufficiency in oil and energy has placed our Company at crossroads and a careful evaluation for our drilling portfolio is underway.

As soon as the Department of Energy opens up new areas for exploration, the Company shall be able to determine our future participation in such endeavors.

While the Company is affiliated with group of mining companies, the slowdown of the mining sector and the stringent evaluations being conducted by the Department of Environment and Natural Resources (DENR) for new mining applications has led the Company to shelve the entry into the mining sector in the years past. However, recent pronouncements of the government have placed a renewed interest to revive the mining sector as a means to spur Post-COVID economic resilience. In conjunction with this renewed interest, the Company will evaluate future business endeavors in the mining sector.

Business Focus for the Coming Year

The investment made during 2017 in Taguig Lake City Development Corporation, a corporation engaged in the real estate industry, is starting to show some results, now that the Laguna Lake Development Authority has responded positively to this Company's proposals to rehabilitate the Laguna de Bay. The Company will continue to support the progress of TLDCD in this regard.

The Company will further scan for business target projects, and welcome other business opportunities from different industries apart from oil and gas and mineral exploration. As mentioned above, the management is currently discussing on how the Company will proceed with its remaining 33.33% capital stock investment in Forum Exploration, Inc., specifically whether to sell its interest or enter into partnership with potential buyers. During 2025, discussions happened between FPI and FEI with regards to the entry of interested party. Such interested party also owned service contract adjacent to the area of Service Contract (SC) 40. Discussions include capital and debt restructuring of FEI, financing, income distribution and timeline of operations. As of March 31, 2026, negotiations are on hold pending evaluation on the corporate profile of the interested party.

On the other hand, given the growing requirements for power, the Company is actively looking into the traditional energy business, concentrating on cheap and consistent coal power for the country's base loads. Demand and supply studies, as well as site feasibility analysis and the selection of green and clean coal technologies are being conducted by select engineering advisers of the Company. On the other hand, the Company is also considering investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power. The management is also conducting research and feasibility studies on various renewable projects, albeit utilizing more stringent investment hurdles, given that renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

The Company's management believes that such financial support and the discussed management plans are sufficient to provide the Company the ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

(ii) Events that will Trigger Direct or Contingent Financial Obligation

Since the Forum Pacific, Inc. are still looking a strategic partner to enhance the development of the Company specially in exploration business, the Company have no events that will trigger direct or contingent financial obligation that is material to Forum Pacific, Inc. including any default or acceleration of an obligation.

(iii) Material Off-Balance Sheet Transactions, Arrangements, Obligations

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of Forum Pacific, Inc. with unconsolidated entities or other persons created during the reporting period.

(iv) Any Known Trends, Events of Uncertainties (Material Impact on Liquidity)

The Company is mainly exposed to liquidity risk through its maturing liabilities. The Company has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

The Company manages liquidity risk through continuous collection of advances to related parties which is considered as cash inflow to finance its operation. The Company continuously monitoring forecast and actual cash flows and matching the maturity profiles of liabilities.

The details of the maturity analysis of the Company's liabilities are as follows:

March 31, 2026	Total	On demand	Less than 3 months	3-12 months	1-5 years
Advances from related parties	₱5,016,781	₱-	₱-	₱-	₱5,016,781
Lease liability	46,930	-	-	46,930	-
Accounts payable and other liabilities	255,225	-	-	255,225	-
	₱5,318,936	₱-	₱-	₱302,155	₱5,016,781

**excluding government liabilities*

March 31, 2025	Total	On demand	Less than 3 months	3-12 months	1-5 years
Advances from related parties	₱4,743,968	₱-	₱-	₱-	₱4,743,968
Lease liability	137,908	-	-	184,838	-
Accounts payable and other liabilities	305,638	-	-	305,638	-
	₱5,187,514	₱-	₱-	₱443,546	₱4,743,968

**excluding government liabilities*

(v) Significant Element of Income or Loss That Did Not Arise from Continuing Operation

PFRS 16, Leases. This new standard introduces a single lessee accounting model to be applied to all leases, whilst substantially carries forward the lessor accounting requirements in PAS 17 *Leases*. Lessees recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments for all leases with a term of more than twelve (12) months, unless the underlying asset is of low value. Whereas, lessors continue to classify leases as operating leases or finance leases, and to account for those two types of leases differently. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply PFRS 15 at or before the date of initial application of PFRS 16.

The Company adopted PFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on deficit as at January 1, 2019, without restatement of comparative figures.

PFRS 9, Financial Instruments (2014). PFRS 9, Financial Instruments replaces PAS 39 Financial Instruments' Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting. The standard requires all recognized financial assets that are within the scope of PAS 39 to be subsequently measured at amortized cost or at fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely for payments of principal and interest on the outstanding balance are generally measured at amortized cost at the end of subsequent reporting periods. All other debts investments and equity investments are measured at their fair values at the end of subsequent reporting periods. For financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value

of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income would create or increase an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

The Company has adopted the PFRS 9 *Financial Instruments* from January 1, 2018 and resulted in changes in accounting policies and adjusted amounts recognized in the financial statements. The comparative figures have been restated to comply with the transitional provisions in PFRS 9.

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 which superseded the previous promissory note. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. The term of the loan was extended for another five (5) years or until December 15, 2030 at the same interest rate. Accrued interest receivable for this promissory note amounted to ₱29,913,191 and ₱23,979,996 as at March 31, 2026 and 2025, respectively.

(vi) Material Changes on Line Items in Financial Statements

Material changes on line items in financial statements are presented under the captions “Financial Condition” and “Results of Operation” above, and see attached Notes to Financial Statements.

(vii) Effect of Seasonal Changes in the Financial Condition or Results of Operations

The financial condition or results of operations is not affected by any seasonal change.

PART II - OTHER INFORMATION

Market Information

The principal market of Forum Pacific, Inc. common equity is the Philippine Stock Exchange, Inc. (PSE) where it was listed on December 19, 1994. The high and low sales prices by quarter for the last 3 years are as follows:

		High	Low
2026	First Quarter	0.320	0.270
2025	First Quarter	0.220	0.220
	Second Quarter	0.230	0.230
	Third Quarter	0.234	0.233
	Fourth Quarter	0.240	0.240
2024	First Quarter	0.210	0.210
	Second Quarter	0.250	0.250
	Third Quarter	0.201	0.201
	Fourth Quarter	0.210	0.210
2023	First Quarter	0.230	0.230
	Second Quarter	0.206	0.205
	Third Quarter	0.212	0.200
	Fourth Quarter	0.200	0.200

The latest high, low and close market price is ₱0.270, ₱0.270 and ₱0.270, respectively per share as of April 15, 2026, respectively.

Holders

The number of shareholders of record as of March 31, 2026 was 854. Common shares issued and subscribed were 1,838,943,246.

**List of Top 20 Stockholders
March 31, 2026**

	NAME	NO. SHARES HELD	% to TOTAL
1	INTERNATIONAL POLYMER CORPORATION	496,887,494	26.501
2	PCD NOMINEE CORPORATION	447,557,500	23.870
3	THE WELLEX GROUP, INC.	376,950,000	20.104
4	E.F. DURKEE & ASSOCIATES, INC.	77,838,563	4.151
5	INTRA-INVEST SEC., INC.	48,159,000	2.568
6	METROPOLITAN MANAGEMENT CORPORATION	30,000,000	1.600
7	JUANITO C. UY	22,625,001	1.207
8	PACRIM ENERGY N.L.	21,000,000	1.120
9	SAPPHIRE SECURITIES INC.	19,433,500	1.036
10	BENITO ONG AND/OR ZITA Y. ONG	18,000,000	0.960
11	PCD NOMINEE CORP. (NON-FILIPINO)	13,347,724	0.712
12	NESTOR S. MANGIO	12,500,000	0.667
13	A & A SECURITIES, INC.	11,911,320	0.635
14	MARK SECURITIES CORPORATION	10,772,800	0.575
15	GLOBALINKS SEC & STOCKS, INC. A/C # CWUSO001	9,400,000	0.501
16	BELSON SECURITIES, INC.	9,200,000	0.491
17	RUBEN M. GAN	7,610,000	0.406
18	WEALTH SECURITIES, INC.	7,160,000	0.382
19	DAVID GO SECURITIES CORPORATION	6,880,000	0.367
20	YU AND COMPANY, INC.	6,660,000	0.355

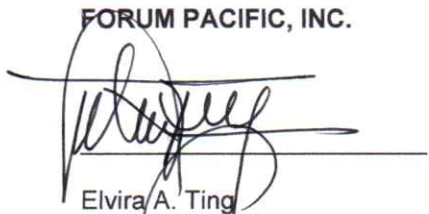
SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer

FORUM PACIFIC, INC.

Signature



Elvira A. Ting

Title

President

Signature



Annabelle T. Abunda

Title

Finance and Compliance Officer

Date

APR 23 2026

FORUM PACIFIC, INC.
STATEMENTS OF FINANCIAL POSITION

Annex A.1

		Unaudited March 31, 2026	Unaudited March 31, 2025	Audited December 31, 2025
Current Assets				
Cash	5	₱181,535	₱63,708	₱194,184
Prepayments and other current assets	6	125,427	124,111	42,113
		306,962	187,819	236,297
Non-current Assets				
Advances to related parties – net	11	244,736,143	241,361,676	245,615,268
Financial asset at FVOCI	7	18,668,431	17,664,500	19,170,397
Right-of-Use Asset (net)	8	45,490	181,957	45,490
Deferred Tax Asset (net)		11,733	46,210	11,733
		263,461,797	259,254,343	264,842,888
TOTAL ASSETS		263,768,759	259,442,162	265,079,185
Current Liabilities				
Accounts payable and other current liabilities	9	2,428,167	2,478,580	2,550,941
Lease Liability		46,930	137,908	46,930
Income Tax Payable		873,429	884,336	873,429
		3,348,526	3,500,824	3,471,300
Non-current Liabilities				
Advances from related parties	11	5,016,781	4,743,968	4,874,984
Lease Liability (net of current portion)		–	46,930	–
Deferred Tax Liability		11,372	45,489	11,372
		5,028,153	4,836,387	4,886,356
TOTAL LIABILITIES		8,376,679	8,337,211	8,357,656
EQUITY				
Capital stock		1,208,083,621	1,207,543,621	1,208,083,621
Treasury shares		(36,056,750)	(36,056,750)	(36,056,750)
Unrealized fair value gain on financial assets at FVOCI		(54,572,622)	(55,576,554)	(54,070,656)
Deficit		(862,062,169)	(864,805,366)	(861,234,686)
TOTAL EQUITY		255,392,080	251,104,951	256,721,529
TOTAL LIABILITIES AND EQUITY		₱263,768,759	₱259,442,162	₱265,079,185

(The accompanying notes are integral part of these financial statements)

FORUM PACIFIC, INC.
STATEMENTS OF COMPREHENSIVE INCOME

Annex A.2

	Unaudited January - March 2026	Unaudited January - March 2025
Revenues	₱-	₱-
Costs and expenses (Note 12)	685,703	609,341
Operating loss	(685,703)	(609,341)
Other income/(expenses) (Note 13)	(141,780)	52,663
NET LOSS FOR THE PERIOD	(827,483)	(556,678)
LOSS PER SHARE (Note 15)	(₱0.0007)	(₱0.0005)

FORUM PACIFIC, INC.
STATEMENTS OF CHANGES IN EQUITY

Annex A.3

	Unaudited January - March 2026	Unaudited January - March 2025	Audited December 31, 2025
Capital stock	₱1,208,083,621	₱1,207,543,621	₱1,208,083,621
Treasury shares	(36,056,750)	(36,056,750)	(36,056,750)
Unrealized fair value gain on financial assets at FVOCI	(54,572,622)	(55,576,554)	(54,070,656)
Deficit - beginning	(861,234,686)	(864,248,688)	(864,248,688)
Net income (loss) for the period	(827,483)	(556,678)	3,014,002
Deficit - ending	(862,062,169)	(864,805,366)	(861,234,686)
TOTAL STOCKHOLDERS' EQUITY	₱255,392,080	₱251,104,951	₱256,721,529

(The accompanying notes are an integral part of these financial statements)

FORUM PACIFIC, INC.
STATEMENTS OF CASH FLOWS

Annex A.4

		Unaudited January- March 2026	Unaudited January- March 2025	Audited December 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (Loss) before tax		(P827,483)	(P556,678)	P3,887,791
Adjustments for income tax:				
Provision for (recovery of)impairment of input tax	6	-	-	(505,959)
Provision for impairment on advances to related parties		-	-	-
Depreciation	12	-	-	136,467
Finance Cost	11	-	-	12,092
Unrealized foreign exchange loss (gain)	11	141,797	(52,663)	78,361
Interest Income	5,11	(16)	(8)	(5,933,232)
Operating loss before working capital changes		(685,702)	(609,349)	(2,324,480)
Increase (Decrease) in prepayments and other current assets		(83,314)	(82,898)	505,059
Increase (Decrease) in accounts payable and other liabilities		(122,774)	(61,361)	11,000
Cash used in operations		(891,790)	(753,608)	(1,808,421)
Income tax paid		-	-	(884,336)
Interest Received		16	8	37
Net cash used in operating activities		(891,774)	(753,600)	(2,692,720)
CASH FLOWS FROM INVESTING ACTIVITY				
Collection of advances to related parties	11	879,125	725,734	2,405,330
Net cash provided by investing activity		879,125	725,734	2,405,330
CASH FLOW FROM FINANCING ACTIVITY				
Issuance of shares		-	-	540,000
Payment of lease liability	11	-	-	(150,000)
Net cash used in financing activity		-	-	390,000
NET INCREASE (DECREASE) IN CASH		(12,649)	(27,866)	102,610
CASH				
At beginning of the period	5	194,184	91,574	91,574
At end of the period		P181,535	P63,708	P194,184

(The accompanying notes are an integral part of these financial statements)

FORUM PACIFIC, INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
March 31, 2026

1. CORPORATE INFORMATION

Forum Pacific, Inc. (the “Company”), formerly known as Cophil Exploration, Inc., was incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on January 8, 1993 primarily to engage in investing, purchasing and acquiring assets of any kind and description with the secondary purpose of engaging in the exploration, development and production of petroleum and related products as well as other mineral and chemical substance.

The Company’s shares are listed and traded in the Philippine Stock Exchange (PSE). Its registered office address is located at 35th Floor, One Corporate Centre, Doña Julia Vargas Avenue corner Meralco Avenue, Ortigas Center, Pasig City.

2. MANAGEMENT ASSESSMENT OF GOING CONCERN ASSUMPTION AND BUSINESS PLANS

Management’s Assessment of the Going Concern Assumption

The nature of the Company’s operations requires it to spend significant amount of funds to support exploration programs and operating expenses for it to operate profitably in the future. The Company incurred losses amounting to ₱827,483 and ₱556,678 on March 31, 2026 and 2025, respectively. The Company had accumulated a deficit of ₱862,062,169 and ₱864,805,366 as at March 31, 2026 and 2025 respectively. Furthermore, the Company’s current liabilities exceeded its current assets by ₱3,041,564 and ₱3,313,005 for the quarters ended March 31, 2026 and 2025, respectively. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Notwithstanding these conditions, management believes that the Company will be able to meet all its outstanding obligations and continue to operate as a going concern.

To continue as going concern, the officers and major stockholders of the Company has committed to provide full financial support to the Company to sustain its operations, meet the working capital requirements and settle obligations as they fall due.

Business Plans

The Company is cautiously hopeful that the business environment will start to grow in the foreseeable future. For the year 2026, the Company plans to undertake the following:

- Continuously support the progress of Taguig Lake City Development Corporation (TLCDC), on its prospect projects in relation. The Company observed a positive response from Laguna Lake Development Authority on the TLCDC’s proposals to rehabilitate Laguna De Day.
- Further scan for business target projects, and welcome other business opportunities from different industries apart from oil and gas and mineral exploration.
- Evaluate potential buyers to buy out investment with Forum Exploration Inc. or enter into partnership with potential buyers.
- Explore opportunities in the traditional energy business, concentrating on cheap and consistent coal power for the country’s base loads.
- Conduct demand and supply studies, as well as feasibility analysis and the selection of green and clean coal technologies are being conducted by select engineering advisers of the Company.
- Consider investing into potential renewable energy sources like solar power, ethane, biofuels, hydro, wind and geothermal energy and nuclear power.

- Conduct research and feasibility studies on various renewable projects, although I would require more stringent investment hurdles. Renewable energy projects produce power at higher pricing levels as compared to traditional energy sources.

The Company's management believes that such financial support and the discussed management plans are sufficient to provide the Company the ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the Company's financial assets at FVOCI, which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Functional and Presentation Currency

The financial statements are presented in Philippine peso (₱), the Company's functional currency. All amounts are rounded to the nearest peso except when otherwise indicated.

Current and Non-Current Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liability are classified as non-current assets and non-current liabilities, respectively.

Changes in Accounting Policies and Disclosures

The Company adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2025.

The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability. The amendment specifies that a currency is exchangeable when an entity can exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at measurement date and for a specified purpose while a currency is not exchangeable into other currency if an entity can only obtain an insignificant amount of the other currency. When a currency is not exchangeable, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions. The amendment requires the disclosures of additional information when a currency is not exchangeable.

The management assessed that the amendments have no significant impact to the Company.

New Accounting Standards, Interpretations and Amendments to Existing Standards Effective Subsequent to January 1, 2025

PFRS 18, Presentation and Disclosure in Financial Statements. This standard supersedes PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The standard requires an entity to clearly identify the financial statements, which must be distinguished from other information in the same published document, as well as each primary financial statement and the notes to the financial statements. In addition, the following information must be displayed prominently, and repeated as necessary:

- the name of the reporting entity and any change in the name
- whether the financial statements are a group of entities or an individual entity
- information about the reporting period
- the presentation currency (as defined by PAS 21, *The Effects of Changes in Foreign Exchange Rates*)
- the level of rounding used (e.g., thousands, millions).

Retrospective application of the standard is mandatory for annual reporting periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed.

PFRS 18 supersedes PAS 1, carrying forward many of the requirements in PAS 1 unchanged and complementing them with new requirements with movements on certain paragraphs into PAS 8 and PFRS 7. Furthermore, there were also minor amendments to PAS 7 and PAS 33 earnings per share. The new standard introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

The amendment is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to PAS 7 and PAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies PFRS 18.

The Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

PFRS 19, Subsidiaries without Public Accountability: Disclosures. The standard specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other PFRS. A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate.

A subsidiary has public accountability if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

An entity electing to apply PFRS 19 applies the requirements in other PFRS, except for the disclosure requirements. Instead of the disclosure requirements, the entity applies the requirements in PFRS 19. Therefore, an entity applying PFRS 19 is not required to apply the disclosure requirements in other PFRS nor apply any statements about, or references to, those disclosure requirements except for certain exceptions. An entity is required to consider whether to provide additional disclosures when compliance with the specific requirements in PFRS 19 is insufficient to enable users of financial statements to understand the effect of transactions and other events and conditions on the entity's financial position and financial performance.

The new standard is effective for annual periods beginning on or after January 1, 2027, with earlier application permitted provided that this fact is disclosed.

The management assessed that the amendments are not applicable to the Company.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 and PFRS 7). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of *PFRS 9, Financial Instruments*. The amendments include:

- a) derecognition of financial liability settled through electronic transfer - The amendments to the application guidance of PFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- b) classification of financial assets - The amendments provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement, enhance description of the term 'non-recourse' and clarify the characteristics of contractually linked instruments that distinguish them from other transactions.
- c) disclosures - The requirements in PFRS 7 are amended for disclosures that an entity provides in respect of investments in equity instruments designated at fair value through other comprehensive income. The amendments also require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

The amendments also include amendments to *PFRS 19, Subsidiaries without Public Accountability: Disclosures*, which limit the disclosure requirements for qualifying subsidiaries.

The amendments are effective for reporting periods beginning on or after 1 January 2026, with earlier application permitted provided that this fact is disclosed.

Annual Improvements to PFRS — Volume 11. The pronouncement comprises the following amendments:

- PFRS 1: Hedge accounting by a first-time adopter - The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9 Financial Instruments.
- PFRS 7: Gain or loss on derecognition - The amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13 Fair Value Measurement was issued.

- PFRS 7: Disclosure of deferred difference between fair value and transaction price – The amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
- PFRS 7: Introduction and credit risk disclosures - The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.
- PFRS 9: Lessee derecognition of lease liabilities - The amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.
- PFRS 9: Transaction price - The amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15 Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.
- PFRS 10: Determination of a 'de facto agent' - The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
- PAS 7: Cost method - The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term 'cost method' that is no longer defined in IFRS Accounting Standards.

The amendments are effective for reporting periods beginning on or after 1 January 2026, with earlier application permitted provided that this fact is disclosed.

The Company has not early adopted the previously mentioned new, amended and improved accounting standards and interpretations. The Company continues to assess the impact of the above new, amended and improved accounting standards and interpretations that are effective subsequent to January 1, 2025 on its financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the financial statements when these amendments are adopted.

Determination of Fair Value and Fair Value Hierarchy

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

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

Fair value measurement disclosures of financial and non-financial assets are presented in Note 18 to the financial statements.

“Day 1” difference

When the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” difference) in the statements of comprehensive income unless it qualifies for recognition as some other type of asset or liability. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statements of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” difference amount.

Financial Instruments

Initial recognition, measurement and classification

The Company recognizes financial assets and financial liabilities in the statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place are recognized on the settlement date.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments includes transaction costs, except for those financial assets and liabilities at fair value through profit or loss (FVPL) where the transaction costs are charged to expenses in the period incurred.

The Company classifies its financial assets as subsequently measured at amortized cost, FVOCI and FVPL. The classification of financial assets depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing the financial assets. The Company’s business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company’s business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company classifies its financial liabilities as subsequently measured at amortized cost using the effective interest method.

Financial assets at amortized cost

Financial assets are measured at amortized when both of the following conditions are met:

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

After initial measurement, financial assets at amortized cost are subsequently measured using the effective interest method less allowance for impairment. Gains and losses are recognized in the statements of comprehensive income when the financial assets at amortized cost are derecognized, modified or impaired. These financial assets are included in current assets if maturity is within twelve (12) months from the end of reporting period. Otherwise, these are classified as noncurrent assets.

As at March 31, 2026 and 2025, included under financial assets at amortized cost are the Company's cash and advances to related parties (see Notes 5 and 11).

Cash

The Company's cash represents cash in bank that are not legally restricted for use, which carries interest at respective bank deposit rate.

Advances to related parties

Advances to related parties represent promissory notes from TWGI and Forum Exploration Inc. (FEI) which represents cash advance for working capital and value of exploration of assets transferred to the Company.

Equity instruments designated at FVOCI

Upon initial recognition, the Company may make an irrevocable election to present in other comprehensive income changes in the fair value of an equity investment that is not held for trading. The classification is determined on an instrument-by-instrument basis. When the equity instrument is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is not subsequently reclassified to profit or loss, but is transferred to retained earnings. Dividends on such investments are recognized in profit or loss when the right of payment has been established, except when the dividends represent a recovery of part of the cost of the investment, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment. These financial assets are classified as noncurrent assets.

As at March 31, 2026 and 2025, the Company elected to classify irrevocably its quoted and unquoted equity investments under this category (see Note 7).

Financial liabilities at amortized cost

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading, or designated at FVPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

As at March 31, 2026 and 2025, included in financial liabilities at amortized cost are the Company's accounts payable and other liabilities (excluding government liabilities), lease liability and advances from a related party (see Notes 9 and 11).

Accounts payable and other liabilities

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other current liabilities include non-trade payables, accrued expenses and due to government agencies. Accounts payable and other liabilities are classified as current liabilities if payment is due within one year or less or in the normal operating cycle of the business if longer while non-trade payables are classified as current liabilities if payment is due within one year or less. Otherwise, these are presented as noncurrent liabilities.

Lease liability

Lease liability represents the Company's obligation to make lease payments for all leases with a term of more than 12 months, unless the underlying asset is of low value is effectively treated as a financial liability which is measured at amortized cost, using the incremental borrowing rate of the Company.

Advances from a related party

Represents cash advances from a related party for working capital requirements.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Derecognition of Financial Instruments

Financial assets

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

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to third party under a "pass-through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

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

Financial liabilities

A financial liability is derecognized when the obligation under the liability was discharged, cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statements of comprehensive income.

Impairment of Financial Assets

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments that are measured at amortized cost. ECL is a probability-weighted estimate of credit losses over the expected life of the financial asset.

Credit losses are the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company assesses at each end of the reporting period whether the credit risk on a financial asset has increased significantly since initial recognition. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is measured at an amount equal to the lifetime ECL. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, a loss allowance is measured at an amount equal to 12-month ECL. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting period.

For advances to related parties, the Company applies a general approach in calculating ECL. The Company recognizes a loss allowance using the management's adopted policy on ECL at the end of each reporting period. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, including time value of money where appropriate.

When the credit risk on financial instruments for which lifetime ECL have been recognized subsequently improves, and the requirement for recognizing lifetime ECL is no longer met, the loss allowance is measured at an amount equal to 12-month ECL at the current reporting period, except for assets for which simplified approach was used.

The Company recognizes impairment loss (reversals) in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the statements of financial position.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the end of reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are one day past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the end of reporting period. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of investment grade in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of performing. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

When the credit risk on financial instruments for which lifetime ECL have been recognized subsequently improves, and the requirement for recognizing lifetime ECL is no longer met, the loss allowance is measured at an amount equal to 12-month ECL at the current reporting period, except for assets for which simplified approach was used.

The Company recognizes impairment loss (reversals) in statements of comprehensive income for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the statements of financial position.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Parent Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than one year past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lenders would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables and contract assets, when the amounts are over five years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Input Tax

Input tax pertains to indirect tax paid by the Company on its local purchase of goods and services from a value-added tax (VAT)-registered person. Input tax is deducted against output tax in arriving at the VAT due and payable.

The Company's input tax is initially recognized at face value and subsequently measured at face value less provision for impairment, if any. Allowance for unrecoverable input tax, if any, are maintained by the Company at a level considered adequate to provide for potential uncollectible portion 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 loss.

Right-of-use Asset

Right-of-use asset represents lessee's right to use an asset over the lease term.

The Company recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is initially measured at cost which includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability.

Right-of-use asset is depreciated on a straight-line basis over the lease term of two years which is shorter than its estimated useful life.

When right-of-use are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there is any indication that any of its assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognized as an expense, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Retirement Benefits

The Company does not provide any retirement benefits because it does not have any employee. The Company's administrative functions are performed by TWGI.

Income Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income. Deferred income tax is determined using tax rates and laws, in the period the temporary difference is expected to be recovered or settled, that have been enacted or substantively enacted as at reporting period.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each reporting date the Company reassess the need to recognize previously unrecognized deferred income tax asset.

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

The Company reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax asset against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company elects to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straightline basis over the lease term.

Related Parties and Related Party Transactions

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Related party relationship exists when: (a) a person or a close member of that person's family has control or joint control, has significant influence or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity; and (b) when any of the following conditions apply: (i) the entity and the Company are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party; (v) the entity is a post-employment benefit plan for the benefit of employees of the Company; (vi) the entity is controlled or jointly controlled by a person as identified in (a) above; (vii) the entity or any member of a group of which it is part, provides key management personnel services to the Company or to the parent of the Company; (viii) a person identified in (a) above has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.

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

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are measured (initial and subsequent) at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and time value of money is material, the initial measurement is on a present value basis.

Capital stock represents the par value of shares that have been issued at the end of the reporting period.

Subscribed capital stock represents the par value of the subscribed shares.

Subscription receivables represent par value of the shares subscribed but the Company has not yet received the payments from the subscriber.

Treasury shares represent own equity instruments reacquired, the amount of the consideration paid, including directly attributable cost, net of any tax effects, is recognized as a reduction from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized as Additional paid-in capital. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them respectively.

When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to Additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Unrealized fair value gain on financial assets at FVOCI represents accumulated gains from increase in the market value of financial assets at FVOCI.

Deficit includes all current and prior period accumulated losses as disclosed in the statements of comprehensive income.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Interest income is recognized as it accrues (using the effective interest method i.e., the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Cost and Expense Recognition

Cost and expenses are recognized in statements of comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in statements of comprehensive income: on the basis of a direct association between the costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Expenses in the statements of comprehensive income are presented using the nature of expense method.

Foreign Currency Denominated Transactions

Foreign currency transactions are initially recognized by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in terms of historical cost are translated using the foreign exchange rate at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Basic Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the income (loss) by the weighted average number of common shares issued during the year, excluding common shares purchased by the Company and held as treasury shares.

Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made with the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, an increase in the provision due to the passage of time is recognized as an interest expense. When the Company expects a provision or loss to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain and its amount is estimable. The expense relating to any provision is presented in the statement of comprehensive income, net of any reimbursement.

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 benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

Events after the Reporting Date

The Company identifies post-year events that occurred after the reporting date but before the date when the Company financial statements were authorized for issue. Post year-end events that provide additional information about the Company's position at the reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the financial statements when material.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments and estimates that affect amounts reported in the Company financial statements. These judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company believes the following represent a summary of these significant judgments and estimate and related impact and associated risks in the Company financial statements.

Significant Accounting Judgments in Applying the Company's Accounting Policies

Assessing the Company's Going Concern

In assessing whether the going concern assumption is appropriate, management take into account all available information about the future, which is at least, but is not limited to 12 months from the reporting date. The degree of consideration and available information depends on the facts and wide range of factors that the management may need to consider (e.g. current and expected profitability, debt repayment schedules and potential sources of replacement financing). As at March 31, 2025 and 2024, the Company still continues to use the going concern basis of accounting.

Leases

The Company has entered into contracts of lease for its office space it occupies. The Company determines the contract if there is a substance of lease. In determining the substance of the lease, the Company considered, among others, whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Based on management judgment, the Company's lease for its office space has substance of lease, thus, the Company recognized right-of-use asset representing the right to use the leased asset and lease liability representing its obligation to make lease payments.

Classifying financial instruments

The Company exercises judgment in classifying financial instruments in accordance with PFRS 9. The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the Company's business model and its contractual cash flow characteristics and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position. Accordingly, the Company classified its cash in banks, trade and other receivables due from related parties and other noncurrent assets as financial assets at amortized cost because these are mainly held to receive contractual cash flow.

Material Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

Determining the Fair Value of Financial Assets and Liabilities

The fair values of financial assets and liabilities that are not quoted in active market are determined by using generally accepted valuation techniques. Valuation involves significant judgment and it is likely that different valuation techniques will provide different results. This is because the inputs used, and any adjustments to those inputs, may differ depending on the technique used.

Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. Inputs used in these models are from observable data and quoted market prices in respect of similar financial instruments.

All models are approved by the BOD before these are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions about these factors could affect reported fair value of financial instruments. The Company considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the fair value of financial instruments that are not quoted in active market.

Information on fair values of financial assets and liabilities are disclosed in Note 18.

Impairment of input tax

Management believes that the recoverability of input tax is doubtful since the Company is not expecting income subject to output tax in the near future as of December 31, 2025. However, the Bureau of Internal Revenue issued a RR 3-2024 that no longer allows deferral of VAT. Thus, starting April 28, 2024, the company no longer recognized impairment of input VAT as it is needed to offset against its Output VAT on interest income during end of the year.

The Company's input tax amounted to ₱1,901,701 and ₱2,406,343 as at March 31, 2026 and 2025, respectively (see Note 6).

Deferred tax assets

The Company reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Due to non-operation of the Company, management expects that the Company will continue to incur losses and the related deferred tax assets will not be utilized in the near future.

The Company's unrecognized deferred tax assets amounted to ₱1,124,052 and ₱1,230,950 as at March 31, 2026 and 2025, respectively.

Allowance for impairment of advances to related parties

Allowance for impairment of advances to related parties is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on the status of the advances to related parties, past collection experience and other factors that may affect collectability.

Advances to related parties amounted to ₱244,736,143 and ₱241,361,676, net of allowance for impairment loss of ₱242,526,152 and ₱242,526,152 as at March 31, 2026 and 2025, respectively (see Note 11).

Allowance for impairment on financial assets at FVOCI

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. Since management has assessed that the financial assets at FVOCI cannot be recovered and the decline in book value per share is other than temporary, the Company has provided allowance for impairment loss.

The Company's financial assets at FVOCI amounted to ₱18,668,431 and ₱17,664,500 net of allowance amounted to ₱20,000,000 as at March 31, 2026 and 2025, respectively (see Note 7).

5. CASH

Cash represents cash in bank with outstanding balance of ₱181,535 and ₱63,708 as at March 31, 2026 and 2025, respectively. Interest income earned from bank deposits were ₱16 and ₱8 as of March 31, 2026 and 2025, respectively.

Cash in bank generally earns interest at annual rates based on daily bank deposit rates ranging from 0.0625% per annum in 2026 and 2025.

There is no restriction on the Company's cash as at March 31, 2026 and 2025.

6. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets as at March 31 consist of:

	2026	2025
Input tax	₱1,901,701	₱2,406,344
Other current assets	43,213	43,213
	1,944,914	2,449,557
Less: Valuation allowance on input tax	(1,819,487)	(2,325,446)
	₱125,427	₱124,111

Movements in the allowance on input tax are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Balance at beginning of year	₱1,819,487	₱2,325,446	₱2,325,446
Reversal of allowance on input VAT	-	(505,959)	-
Balance at end of period	₱1,819,487	₱1,819,487	₱2,325,446

Other current assets represent mainly cash in bank subject to garnishment.

The Company had provided full valuation allowance on its input tax since they are not expecting to generate income subject to VAT on which it can claim all its input tax against its output tax.

7. FINANCIAL ASSETS AT FVOCI (net)

Financial Assets at FVOCI as at March 31 consist of:

	2026	2025
Unquoted shares		
Balance at beginning and end of the quarter	₱ 65,711,573	₱65,711,573
Unrealized fair value loss	(62,604,073)	(62,604,073)
	3,107,500	3,107,500
Quoted shares		
Cost	7,529,480	7,529,480
Net unrealized fair value gain	8,031,451	7,027,520
	15,560,931	14,557,000
	₱18,668,431	₱17,664,500

Investment in unquoted shares of stock represents ownership of the Company in Forum Exploration, Inc. (FEI) and Taguig Lake City Development Corporation (TLCDC). These investments are classified as financial assets at FVOCI as the Company does not participate in the financial and operating policy of the investee which manifest control, joint control or significant influence. The Company believes that the carrying amount of these unquoted shares of stock approximates fair value.

Investment in quoted shares of stock represents ownership investment in Philippine Estates Corporation (PHES), a publicly listed Company. The fair value of these shares has been determined directly by reference to published prices in the active market

The movements in the unrealized fair value gain on financial assets at FVOCI are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
At beginning of year	(₱54,070,656)	(₱57,333,432)	(₱57,333,432)
Fair value changes during the period	501,966	3,262,776	1,756,878
	(₱54,572,622)	(₱54,070,656)	(₱55,576,554)

The Company's financial assets at FVOCI as at March 31, 2026 and 2025 are not held as collateral for its financial liabilities.

8. RIGHT-OF-USE ASSET (net)

During 2019, the Company recognized a right-of-use asset as a result of adoption of PFRS 16. The carrying amount as of March 31, 2026 and 2025 is ₱45,490 and ₱181,957, respectively.

Write-off of right-of-use asset pertains to expired lease contracts

Based on the impairment review of the Company's right-of-use asset, the Company believes that there is no indication of impairment on its right-of-use asset as at March 31, 2026 and 2025.

9. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities as at March 31 consist of:

	2026	2025
Accounts payable	₱107,225	₱158,637
Accrued expense	148,000	147,000
Taxes payable	7,325	7,325
Deferred Output VAT	2,165,617	2,165,618
	₱2,428,167	₱2,478,580

Accrued expenses pertain to unpaid professional fees.

Accounts payable pertains to the amount due to suppliers payable within one (1) year and do not bear any interest.

There were no assets of the Company that were collateralized for the above accounts payable and other liabilities.

10. CAPITAL STOCK

Details of the Company's capital stock as at March 31, 2026 and 2025 are as follows:

Capital stock	No. Shares	Par value	Total
Authorized	3,500,000,000	₱1	₱3,500,000,000
Subscribed	1,875,000,000	₱1	₱1,875,000,000
Subscription receivable	(666,916,379)	1	(666,913,379)
Subscribed and paid up	1,208,083,621	1	₱1,208,083,621
Treasury shares	(36,056,750)	1	(36,056,750)
Issued and outstanding	1,172,026,871	₱1	₱1,172,026,871

The Company has one class of common shares which carry no right to fixed income. No movement in the capital stock of the Company in the 1st Quarter of 2026 and 2025 reporting periods. There were no shares of the Company reserved for issue under options and contracts for the sale of shares as at March 31, 2026 and 2025.

Track record of registration of securities

The Company was originally registered as Cophil Exploration, Inc. with the SEC on January 8, 1993. The Company was listed with the PSE on December 19, 1994 with initial registered shares of 50 billion at ₱0.01 par value per share.

On September 2, 1996, the Board of Directors and stockholders approved a resolution to amend the Company's Article of Incorporation by changing the par value per share of ₱0.01 to ₱1.00, removing the pre-emptive rights of shareholders and increasing authorized capital stock from ₱500 million divided by 50 billion shares to ₱2 billion divided into 2 billion shares. On September 27, 1996, SEC approved the amendment on the Company's capital structure.

On August 22, 1997, the Board of Directors and the stockholders approved a further increase in the Company's authorized capital stock from ₱2 billion to ₱3.5 billion divided into 3.5 billion shares with a par value of ₱1 per share. On March 11, 1998, SEC approved the Company's increased in authorized capital stock.

The Company has 1.5 billion shares listed and traded in the PSE as at March 31, 2026 and 2025.

11. RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, has transactions with related parties. Such transactions are unsecured, non-interest bearing and with no definite terms of repayments period. The Company did not provide nor received any guarantee on its transaction with related parties. All outstanding balances are to be settled through cash or offsetting arrangement.

Details of related party relationships, transactions and balances as follows as of March 31:

Related parties and relationships	Nature of transactions	Volume of transactions		Outstanding receivable		Terms/ conditions
		2026	2025	2026	2025	
With common key management						
The Wellex Group, Inc. (TWGI)	Cash advance	(₱704,599)	(₱551,200)	₱315,631,220	₱312,256,753	
	Consultancy fee	(116,400)	(116,400)			
	Rental expense	(58,125)	(58,125)			
	Transfer of assets	–	–	171,631,076	171,631,076	(b)
		(879,124)	(725,725)	487,262,296	483,887,829	
Impairment loss		–	–	(242,526,153)	(242,526,153)	(c)
		(₱879,124)	(₱725,725)	₱244,736,143	₱241,361,676	

Related parties and relationships	Nature of transactions	Volume of transactions		Outstanding receivable		Terms/ conditions
		2026	2025	2026	2025	
With common key management						
Forum Exploration, Ltd.(FEL)	Cash advance	-	-	₱5,016,781	₱4,743,968	(d)

(a) Advances to The Wellex Group, Inc. (TWGI)

On December 16, 2020, TWGI issued a new promissory note amounting to ₱296,659,777 in favor of the Company. The term of the loan is five years maturing on December 15, 2025, bearing an interest of 2% per annum. The term of the loan was further extended for another five (5) years or until December 15, 2030 at the same interest rate. Accrued interest receivable for this promissory note amounted to ₱29,913,191 and ₱23,979,996 as at March 31, 2026 and 2025, respectively.

To settle the outstanding advances, the Company entered into the following contracts with TWGI, which in return, amounts incurred will be applied to the outstanding advances.

The Company leases an office space in May 2014 from The Wellex Group, Inc. (TWGI) located at the 35th Floor One Corporate Centre, Doña Julia Vargas Ave. corner Meralco Ave., Ortigas Center, Pasig City. The lease is for a period of two years but renewable thereafter upon mutual agreement of both parties. The contract has been renewed four times since then and is currently valid until April 30, 2026. Office space quarterly rental including storage room usage and utilities is ₱55,500, exclusive of VAT and withholding tax for both periods ended March 31, 2026 and 2025.

Total rental and utilities expense charged to operations for the quarters ended March 31 as follows (Note 12):

	2025	2024
Rent	₱37,500	₱37,500
Utilities	18,000	18,000
	₱55,500	₱55,500

The net carrying amount of the right-of-use asset recognized as at March 31, 2026 is disclosed in Note 8.

In April 2012, the Company has entered into a consultancy agreement with TWGI, whereby the latter will provide corporate planning and financial services on its various corporate functions and undertakings. The contract has been renewed five times since then and is currently valid until April 30, 2026. Total management fee charged to operations amounted to ₱120,000 for both periods ended March 31, 2026 and 2025.

The Company originally provides allowance for impairment amounting to ₱70,895,077 for both quarters ended March 31, 2026 and 2025, on advances to TWGI prior to agreements entered to settle the outstanding advances. Allowance for impairment will be reversed once the unimpaired portion of advances is substantially collected and upon assessment by the management on the continuity of the existing agreements.

(b) Advances to Forum Exploration, Inc. (FEI)

Advances to FEI pertain to the carrying value of exploration net assets transferred by the Company in 2007. Outstanding balance for the quarter ended March 31, 2026 and 2025 amounted to ₱171,631,076, gross of allowance for impairment loss. The Company recognized full impairment loss on this advances, as review on the FEI financial status and operations showed an unlikely possibility of collection.

Service Contract (SC) 40

FEI is a legal and owner of 100% interest in Service Contract (SC) 40, an upstream oil and gas contract area in the Philippines, entered into with the Philippine Government through the Department of Energy.

Annual gas production from field on SC 40 totaled 41.09 million standard cubic feet (MMSCF) and 78.66 MMSCF since the start of production in 2012.

FEI has also implemented Work Program and Budget as approved by DOE last November 17, 2014 which includes, among others, a commitment to perform land gravity survey over the Dalingding Structure starting March 2015. Since 2014, FEI has performing geological and geophysical study aimed to identify and prioritize highly prospective areas for future exploration.

In June 2022, FEI contracted a drilling consultant to prepare a drilling program and budgets for two (2) wells, one of which will be located in the Dalingding Prospect, a reef structure defined by seismic with the Late Miocene to Pliocene-age Barili Limestone as the primary target. A well, Dalingding-1, was drilled in this structure in 1996 and was plugged and abandoned as a dry hole with minor gas shows after reaching a total depth of 1,508 ft. FEI's recent re-evaluation of the prospect concluded that Dalingding-1 did not reach the Barili target, which is currently estimated at 1,830 ft, or 480 ft. below the well's final depth. A new well is proposed to be drilled down to 2,760 ft to reach the Barili Limestone.

An Independent Technical Evaluation involving a review of available data, project risking, and project economics of the Dalingding Prospects was completed during the first quarter of 2024. The results indicate that deterministic and probabilistic volumetric estimates for the prospect show mean resources of 10 billion cubic feet ("BCF") for a gas case and 3.5 million barrels of oil ("MMBO") for an Oil case.

In early 2024, the DOE approved FEI's proposal to conduct a magnetotelluric ("MT") survey to further evaluate the Dalingding Prospect. The survey aimed to define the top of the carbonate buildup and help its depth from the surface.

MT equipment testing and data acquisition in Daanbantayan, Cebu commenced on June 14, 2024, and was completed on September 2, 2024. A total of 30 stations were acquired on two (2) parallel lines oriented in a NW-SE direction, and 20 stations on one (1) perpendicular line oriented in a NE-SW direction.

On December 23, 2024, the proposed WP&B for 2025 was submitted to the DOE. It has a firm program that includes the continuation and finalization of the MT survey data processing and interpretation, as well as the technical re-evaluation of the Dalingding Prospect, wherein the MT data will be integrated with existing geological, geophysical, and well data.

The evaluation of the MT data was completed in April 2025. The results successfully mapped the presence of a reef boundary, presumably the Barili Limestone, identified through sharp resistivity contrasts with surrounding formations. However, the interpreted reef depth and thickness of the overlying seal vary, possibly due to data interpolation effects, as a significant amount of cultural noise had to be removed during the interpretation process.

A data integration study was carried out by FEI following receipt of the MT report; which was completed in June 2025. The subsurface resistivity data derived from the MT method show that resistivity can vary laterally within a formation, reflecting the differences in its physical properties. When combined with other geophysical methods, MT data can provide a more comprehensive understanding of subsurface geology. The study also concludes that, while seismic remains the primary tool for defining prospect structures, MT-derived resistivity can aid in predicting porosity and fluid type within seismically delineated geologic body. By integrating data from multiple geophysical tools and sources, the porosity distribution on the Barili Limestone surface was successfully estimated and mapped.

The Company is positive on FEI's on its exploration and future development work in providing the viability of its oil properties to produce oil in commercial quantities.

As at March 31, 2026 and 2025, FEI has not yet returned the value of the exploration assets that the Company transferred.

(c) *Advances from FORUM GSEC 101 Ltd. (Forum Exploration, Inc Ltd)*

The Company received USD denominated cash advances from FEI - Ltd. amounted to \$82,922 with no definite terms of payment and will be settled in USD. Balance as at March 31 as follows:

	2026	2025
At beginning of year	₱4,874,984	₱4,796,623
Unrealized foreign exchange gain/loss –13	141,797	52,655
At end of year	₱5,016,781	₱4,743,968

(d) *Remuneration to key management personnel*

With the Company's tight cash position, management decided to suspend any form of compensation given to key management personnel.

(e) *Others*

The Company's administrative functions are performed by its related party, TWGI.

12. COSTS AND EXPENSES

Cost and expenses for the quarters ended March 31 consists of:

	2026	2025	2024
Professional fees	₱150,000	₱150,000	₱120,000
Membership fees and dues	250,000	250,000	250,000
Management fees	120,000	120,000	120,000
Taxes and licenses	59,923	28,250	61,759
Rent and utilities	55,500	55,500	55,500
Travel and transportation	–	–	360
Miscellaneous	50,280	5,591	4,405
	₱685,703	₱609,341	₱642,024

Membership fees and dues include annual PSE listing and registration.

Miscellaneous expense mainly consists of website maintenance fees.

13. OTHER INCOME/(EXPENSES) – net

Other expenses for the quarters ended March 31 consists of:

	2026	2025	2024
Provision for impairment on:			
Input tax – 6	₱–	₱–	(₱66,398)
Unrealized foreign exchange gain(loss) – 11	(141,796)	52,655	(75,542)
Interest income – 5	16	8	43
	(₱141,780)	₱52,663	(₱141,897)

14. INCOME TAXES

On March 26, 2021, the Republic Act (RA) 11534, known as “The Corporate Recovery and Tax Incentives for Enterprises Act” (CREATE Act), was passed into law. The salient provisions of the CREATE Act applicable to the Company are as follow:

1. Effective July 1, 2020, the corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100,000,000, excluding land on which the particular business entity's office, plant, and equipment

are situated during the taxable year for which the tax is imposed at 20%. All other domestic corporations and resident foreign corporations will be subject to 25% income tax;

2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% effective July 1, 2020, to June 20, 2023;
3. The imposition of improperly accumulated earnings is repealed.

15. INCOME (LOSS) PER SHARE

The following table presents information necessary to calculate the loss per share as of March 31:

	2026	2025	2024
Net loss for the period	(₱827,483)	(₱556,678)	(₱783,921)
Weighted average number of common shares outstanding during the period	1,172,026,871	1,171,486,871	1,171,486,871
	(₱0.0007)	(₱0.0005)	(₱0.0007)

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risk which results from both its operating and financing activities. The Company's risk management is coordinated with the BOD and focuses on actively securing the short-term cash flows to finance its operation.

The Company's principal financial instruments comprise of cash, advances to related parties, financial assets at FVOCI, accounts payable and other liabilities (excluding local and other taxes and other liabilities to government agencies), and advances from a related party. The main purpose of these financial instruments is to raise financing for the Company's operations. The Company does not actively engage in trading of financial assets for speculative purposes nor does it have options.

The most significant financial risks in which the Company is exposed to are described below:

Credit risk

Credit risk refers to the risk that counterparty will default its contractual obligation resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its financial assets which composed of cash and advances to related parties.

In order to minimize credit risk, the Company has developed and maintained internal credit risk grading to categorize exposures according to their degree of risk of default. The Company uses its own trading records to rate its major customers and other debtors.

The Company current credit risk grading framework is as follows:

Category	Description	Basis for recognizing ECLs	Base	Minimum allowance for credit losses	Stage
Performing	The counterparty has a low risk of default and does not have any past due amounts	12-month ECS	0%	0%	1
Doubtful	Amount is 1-30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL-not credit impaired	25%	1%	2
	Amount is 31-90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL-not credit impaired	25%	5%	2
	Amount is 91-180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL-not credit impaired	25%	10%	2

	Amount is 181-360 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL-not credit impaired	25%	12%	2
In default	Amount is over 1-2 years oast due or there is evidence indicating the asset is credit impaired	Lifetime ECL-credit impaired	50%	15%	3
	Amount is over 2-3 years oast due or there is evidence indicating the asset is credit impaired	Lifetime ECL-credit impaired	100%	15%	3
	Amount is over 3-5 years oast due or there is evidence indicating the asset is credit impaired	Lifetime ECL-credit impaired	100%	50%	3
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off	100%	100%	3

The maximum credit risk exposure of the financial assets is the carrying amount of the financial assets shown on the face of statement of financial position, as summarized below:

March 31, 2026				
	Basis for recognizing ECL	Gross carrying amount	Loss Allowance	Net carrying amount
Cash in bank	(a)	₱181,535	₱-	₱181,535
Advances to related parties	(b) Lifetime ECL	487,262,294	(242,526,151)	244,736,143
		₱487,443,829	(₱242,526,151)	₱244,917,678

March 31, 2025				
	Basis for recognizing ECL	Gross carrying amount	Loss Allowance	Net carrying amount
Cash in bank	(a)	₱63,708	₱-	₱63,708
Advances to related parties	(b) Lifetime ECL	483,887,827	(242,526,151)	241,361,676
		₱483,951,535	(₱242,526,151)	₱241,425,384

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash as described below.

(a) Cash in banks

The credit risk for cash in banks is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of ₱500,000 for every depositor per banking institution.

(b) Advances to related parties

For advances to related parties, the Company has applied the simplified approach to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

To measure the ECL, advances to related parties have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for advances to related parties are a reasonable approximation of the loss rates for the financial asset.

The management continues to review receivable from related parties for any legally enforceable right to offset with liabilities with the expressed intention of the borrower to settle on a net basis.

Impaired accounts represent account of related parties that have not paid for a while and for which the Company believes that a portion of the receivables may not be collected. The allowance is estimated based on the Company's estimate for accounts which it believes may no longer be collected.

As at March 31, 2026 and 2025, the Company has entered into an agreement with its related party to settle the advances (Note 11).

Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company is mainly exposed to liquidity risk through its maturing liabilities. The Company has a policy of regularly monitoring its cash position to ensure that maturing liabilities will be adequately met.

The Company manages liquidity risk through continuous collection of advances to related parties which is considered as cash inflow to finance its operation. The Company continuously monitoring forecast and actual cash flows and matching the maturity profiles of liabilities.

The details of the maturity analysis of the Company's liabilities are as follows:

March 31, 2026	Total	On Demand	Less than 3 months	3 to 12 months	1 to 5 years
Accounts payable and other liabilities	₱255,225	₱-	₱-	₱255,225	₱-
Lease Liability	46,930	-	-	46,930	-
Advances from related parties	5,016,781	-	-	-	5,016,781
	₱5,318,936	₱-	₱-	₱302,155	₱5,016,781

**excluding government liabilities*

March 31, 2025	Total	On Demand	Less than 3 months	3 to 12 months	1 to 5 years
Accounts payable and other liabilities	₱305,638	₱-	₱-	₱305,638	₱-
Lease Liability	137,908	-	-	137,908	-
Advances from related parties	4,743,968	-	-	-	4,743,968
	₱5,187,514	₱-	₱-	₱443,546	₱4,743,968

**excluding government liabilities*

Equity price risk

Equity price risk is the risk that the fair value of equity instrument decreases as a result of changes in the value of individual stocks. The Company's exposure to equity price risk arises from investments held by the Company and classified in the Company's statements of financial position either as financial asset at FVOCI.

Equity instruments designated at FVOCI in listed and non-listed companies are held for strategic rather than trading purposes. The Company does not actively trade these investments. The Company also invested in portfolio of listed shares which are held for trading and has designated equity instrument in a non-listed Company at FVOCI.

Foreign currency risk

The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to the U.S. dollars. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates could significantly affect the Company's financial position.

The Company is mainly exposed to foreign currency risk through its advances from related party \$82,922 which amounted to ₱5,016,781 and ₱4,743,968 as at March 31, 2026 and 2025, respectively.

The sensitivity rate used on reporting foreign currency risk internally to key management personnel is 10% and it represents management's assessment of reasonably possible change in foreign exchange

rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary assets and liabilities and adjusts their translation at the period end for a 10% in foreign exchange rates. A positive number indicates an increase in net income when the Philippine peso strengthens at 10% against the relevant currency. For 10% weakening of the Philippine peso against the relevant currency, there would be an equal and opposite impact on the net income.

Capital Risk Objective and Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern.

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

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including accounts payable and other liabilities, lease liability and advances from related party as shown in the statements of financial position) less cash. Total capital is calculated as equity as shown in the statements of financial position plus net debt.

Gearing ratio compares some form of owner's equity to borrowed funds. It is a measure of financial leverage demonstrating the degree to which the Company's activities are funded by owner's funds versus creditors' funds.

The gearing ratios as at March 31, 2026 and 2025 were as follows:

	2026	2025
Debt	₱8,376,679	₱8,337,211
Less: Cash	181,535	63,708
Net debt	8,195,144	8,273,503
Equity	255,392,080	251,104,951
Gearing ratio	3.21%	3.29%

The Company is subject to externally imposed capital requirement amounting to ₱6,250,000 which is the minimum paid-up capital requirement of SEC for mining companies. As March 31, 2026 and 2025, the Company is in compliance with this externally imposed capital requirement.

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation about the changes in the Company's liabilities arising from financing activities including both cash and non-cash changes for the years ended March 31, 2026 and 2025 as follows:

	Balance as at January 1, 2026	Effect of foreign exchange rates	New Leases	Changes from financing cash flow	Balance as at March 31, 2026
Advances from a related party	₱4,874,985	₱141,796	₱-	₱-	₱5,016,781
Lease liability	46,930	-	-	-	46,930
	₱4,921,915	₱141,796	₱-	₱-	₱5,063,711

	Balance as at January 1, 2025	Effect of foreign exchange rates	New Leases	Changes from financing cash flow	Balance as at March 31, 2025
Advances from a related party	₱4,796,623	₱52,655	₱-	₱-	₱4,743,968
Lease liability	137,908	-	-	-	137,908
	₱4,934,531	₱52,655	₱-	₱-	₱ 4,881,876

18. FAIR VALUE INFORMATION

Assets measured at fair value

The fair values of the Company's assets, which are measured at fair value at the end of each reporting period, are determined based on quoted prices in active market.

Assets and liabilities not measured at fair value

For the long-term financial assets and liabilities, the fair value of the non-interest bearing noncurrent assets and liabilities are determined based on the discounted value of future cash flows using the prevailing credit adjusted PH BVAL that are specific to the tenor of the instruments' cash flow as at reporting date.

The carrying amounts of cash and accounts payable and other liabilities approximate their fair values due to the relatively short term maturities of these financial instruments.

Certain financial assets at FVOCI amounting to ₱65,711,573 as at March 31, 2026 and 2025 are carried at cost less impairment loss since there was no reliable basis for the measurement of the fair value.

19. SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

On December 28, 2010, Revenue Regulations (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS.

a) Output value-added tax

The Company has no output VAT since it does not have any income subject to VAT for the quarters ended March 31, 2026 and 2025.

b) Input value-added tax

	2026	2025
At beginning of year	₱1,819,487	₱2,325,446
Current purchases and payments for:		
Domestic purchases of services	82,214	80,897
	₱1,901,701	₱2,406,343

c) Importation

The Company did not pay nor accrue custom duties or tariff fees as the Company did no import any goods or equipment for the quarters ended March 31, 2026 and 2025.

d) Excise Tax

The Company does not pay nor accrue any excise tax as there was no related transaction that requires the payment of the said tax for the quarters ended March 31, 2026 and 2025.

e) Documentary stamp tax

The Company did not pay nor accrue any documentary stamp tax as there was no related transaction that requires the payment of the said tax for the quarters ended March 31, 2026 and 2025.

f) Taxes and licenses

Details of taxes and licenses account are broken down as follows:

	2026	2025
Business Permits	₱55,137	₱25,378
Corporate Community Tax	2,872	2,872
Fire inspection certification fee	1,914	–
	₱59,923	₱28,250

g) Withholding taxes

The total amount of expanded withholding tax accrued and paid for the quarters ended March 31, 2026 and 2025 is ₱26,975 and ₱26,975, respectively.

h) Deficiency tax assessment and tax cases

The Company has no deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR for the quarters ended March 31, 2026 and 2025.

* * *

FORUM PACIFIC, INC.
APPENDIX A – FINANCIAL SOUNDNESS

	March 31, 2026	March 31, 2025	December 31, 2025
Profitability ratios:			
Return on asset	N/A	N/A	0.01:1
Return on equity	N/A	N/A	0.01:1
Net profit margin	N/A	N/A	N/A
Solvency and liquidity ratios:			
Current ratio	0.09:1	0.05:1	0.07:1
Debt to equity ratio	0.03:1	0.03:1	0.03:1
Quick ratio	0.05:1	0.02:1	0.06:1
Cash-flow liquidity ratio	(0.27):1	(0.22):1	(0.78):1
Financial leverage ratio:			
Asset to equity ratio	1.03:1	1.03:1	1.03:1
Debt to asset ratio	0.03:1	0.03:1	0.03:1
Interest rate coverage ratio	N/A	N/A	N/A