



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**SEC Registration No.:** 0000030939

**Company Name:** PHILIPPINE NATIONAL CONSTRUCTION CORPORATION

**Industry Classification:** F45300

**Company Type:** Stock Corporation

## Document Information

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2026**
2. SEC Identification No. **30939**
3. BIR Tax Identification No. **000-058-330-000**
4. Exact name of issuer as specified in its charter: **Philippine National Construction Corporation**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**
6. Industry Classification Code:  (SEC Use Only)
7. **PNCC Complex, KM. 15, East Service Road, Bicutan, Parañaque City** **1700**  
Address of issuer's principal office Postal Code
8. **(632) 8822-5725**  
Issuer'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 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<i><u>Title of Each Class</u></i>	<i><u>Number of Shares</u></i>
<b>Common</b>	<b>75,000,000</b>
<b>Special Common</b>	<b>10,000,000</b>
<b>Preferred</b>	<b><u>10,000,000</u></b>
	<b><u>95,000,000</u></b>

Note:

Philippine National Construction Corporation (PNCC) has 141,519,380 shares (99,444,759 common shares and 42,074,621 preferred shares) issued to different Government Financial Institutions in 1983. For purposes of registration of said shares, PNCC with Feria Law Offices as consultant filed its Amended Registration Statement on August 15, 2001. On December 19, 2001, the Securities and Exchange Commission (SEC), under Resolution No. 726, Series of 2001, ruled that the equity securities of PNCC are exempt from registration requirements in accordance with Section 9.1 of the Securities Regulation Code.

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

Yes [ x ]      No [   ]

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

**The Common shares of the Company are listed on the Philippine Stock Exchange (PSE).**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [   ]      **No [ x ]**

(b) has been subject to such filing requirements for the past ninety (90) days.

**Yes [ x ]**      No [   ]

## **PART I – FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

Interim financial statements are attached as Exhibits 1 to 5 hereof and incorporated herein by reference:

Exhibit 1	Statements of Financial Position as at March 31, 2026 and December 31, 2025
Exhibit 2	Statements of Comprehensive Income for the six months ended March 31, 2026 and March 31, 2025
Exhibit 3	Statements of Changes in Equity for the three months ended March 31, 2026 and March 31, 2025
Exhibit 4	Statements of Cash Flows for the three months ended March 31, 2026 and March 31, 2025
Exhibit 5	Notes to Interim Financial Statements

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

Please refer to Exhibits 6 & 7.

## **PART II – OTHER INFORMATION**

The Company is not in possession of information which has not been previously reported in a report on SEC Form 17-C and with respect to which a report on SEC Form 17-C is required to be filed.


**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.

**PHILIPPINE NATIONAL CONSTRUCTION CORPORATION**

Issuer

By:

  
\_\_\_\_\_  
**ATTY. MIGUEL E. UMALI**  
President

  
\_\_\_\_\_  
**CRISTY M. MEDIAVILLO**  
Corporate Treasurer

  
\_\_\_\_\_  
**VERONICA B. TACDERAS**  
Head - Controllership



**PHILIPPINE NATIONAL  
CONSTRUCTION CORPORATION**

May 29, 2026

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building

7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City

**Gentlemen:**

In connection with the financial statements of Philippine National Construction Corporation as of March 31, 2026, which will be submitted to the Philippine Stock Exchange (PSE), we confirm to the best of our knowledge and belief, the following:

1. We are responsible for the fair presentation of the financial statements in conformity with the generally accepted accounting principles.
2. There have been no:
  - a. Irregularities involving management or employees who have significant roles in the system or internal accounting control.
  - b. Irregularities involving other employees that could have a material effect on financial statements.
  - c. Communication from regulatory agencies concerning non-compliance with or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
3. There are no:
  - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
  - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed.
4. The accounting records underlying the financial statements accurately and fairly reflect the transactions of the company.
5. The company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
6. Provision has been made for any material loss to be sustained.

6. Provision has been made for any material loss to be sustained.
7. We have complied with all respects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance.

A handwritten signature in cursive script, appearing to read "Cristy M. Mediavillo".

**CRISTY M. MEDIAVILLO**  
Corporate Treasurer



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The Management of Philippine National Construction Corporation (PNCC) is responsible for all information and representations contained in the consolidated unaudited financial statements for the quarter ended March 31, 2026. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on the best estimates and informed judgment with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

  
\_\_\_\_\_  
**ATTY. MIGUEL E. UMALI**  
President and CEO  
TIN: 106-974-003

  
\_\_\_\_\_  
**CRISTY M. MEDIAVILLO**  
Corporate Treasurer  
TIN: 118-060-474

  
\_\_\_\_\_  
**VERONICA B. TACDERAS**  
Head, Controllership  
TIN: 122-819-743

PHILIPPINE NATIONAL CONSTRUCTION CORPORATION  
**STATEMENTS OF CHANGES IN EQUITY**  
**For the Quarter Ended March 31, 2026**  
(In Philippine Peso)

	Note	Share Capital (Notes 4.16, 24)	Share Premium (Note 4.16)	Equity Adjustment - Loans Transferred to National Gov't (Note 26)	Subscriptions Receivable (Notes 4.16, 25)	Treasury Stock (Notes 4.16, 24)	Revaluation Surplus (Note 4.12)	Retained Earnings (Note 4.16)	Accumulated Other Comprehensive Income (loss)	TOTAL
Balance at December 31, 2025		2,283,758,120	46,137,443	5,551,726,307	(56,158,831)	(16,699,918)	2,398,549,812	36,477,712,721	(24,000)	46,685,001,654
Add (Deduct):										0
Correction of prior year's income	35							30,008,159	0	30,008,159
As at January 1, 2026, as restated		2,283,758,120	46,137,443	5,551,726,307	(56,158,831)	(16,699,918)	2,398,549,812	36,507,720,880	(24,000)	46,715,009,813
Changes in equity for 2026										0
Add (Deduct):										0
Comprehensive loss for the year, as restated								110,100,952		110,100,952
Other comprehensive income										0
Unrealized gain on financial asset at FVOCI										0
Movement in revaluation increment, net of tax							0			0
Other adjustments										0
Piecemeal realization of revaluation increment								0		0
Reduction in deferred tax liability										-
Balance at March 31, 2026		2,283,758,120	46,137,443	5,551,726,307	(56,158,831)	(16,699,918)	2,398,549,812	36,617,821,832	(24,000)	46,825,110,765

**PHILIPPINE NATIONAL CONSTRUCTION CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**March 31, 2026 and December 31, 2025**  
(In Philippine Peso)

	March	December
	2026 (UnAudited)	2025 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & cash Equivalent	830,865,691	308,528,822
Other investments	2,900,267,673	3,249,270,785
Receivables, net	915,319,746	854,547,055
Inventories	2,197,212	2,353,699
Other current assets	68,263,719	66,598,227
	<b>4,716,914,041</b>	<b>4,481,298,588</b>
<b>Non-Current Assets</b>		
Financial Assets	796,970	796,970
Investments in Subsidiaries	61,200,000	61,200,000
Investments in Joint Venture	1,485,816,700	1,485,816,700
Other Investments	1,546,610	1,546,610
Receivables	98,491,690	98,491,690
Investment property	65,998,745,755	65,998,745,755
Property and equipment, net	3,356,377,967	3,355,610,689
Intangible Assets	446,429	446,429
Deferred tax assets	24,542,414	24,542,414
Other non-current assets, net	88,272,676	88,285,328
	<b>71,116,237,211</b>	<b>71,115,482,585</b>
<b>TOTAL ASSETS</b>	<b>75,833,151,252</b>	<b>75,596,781,173</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Financial liabilities	24,886,117	23,434,648
Other financial liabilities (Due to NG and GOCCs)	11,417,639,616	11,354,022,616
Inter-agency payables	79,475,824	53,684,033
Trust liabilities	99,623,157	99,623,157
Deferred credits/unearned income	72,951,427	67,550,719
	<b>11,694,576,141</b>	<b>11,598,315,173</b>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	17,309,674,717	17,309,674,717
Trust liabilities	3,789,629	3,789,629
	<b>17,313,464,346</b>	<b>17,313,464,346</b>
<b>TOTAL LIABILITIES</b>	<b>29,008,040,487</b>	<b>28,911,779,519</b>
<b>EQUITY</b>	<b>46,825,110,765</b>	<b>46,685,001,654</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>75,833,151,252</b>	<b>75,596,781,173</b>

**Philippine National Construction Corporation**  
**Quarter Trial Balance**  
**As of March 31, 2026**  
**(in Philippine Peso)**

Assets	Account Title	Account Code	Debit	Credit
		<b>10000000 P</b>	<b>78,453,277,799.92 P</b>	<b>2,620,126,547.33</b>
<b>Current Assets</b>		<b>10000000</b>	<b>4,777,861,628.49</b>	<b>60,947,587.82</b>
<b>Cash and Cash Equivalents</b>		<b>10100000</b>	<b>830,865,691.26</b>	-
<b>Cash on Hand</b>		<b>10101000</b>	<b>315,000.00</b>	-
Petty Cash		10101020	315,000.00	-
<b>Cash in Bank-Local Currency</b>		<b>10102000</b>	<b>130,550,790.45</b>	-
Cash in Bank-Local Currency, Current Account		10102020	130,550,790.45	-
<b>Cash Equivalents</b>		<b>10105000</b>	<b>699,999,900.81</b>	-
Treasury Bills		10105010	699,999,900.81	-
<b>Investments</b>		<b>10200000</b>	<b>2,900,267,672.57</b>	-
<b>Investments in Time Deposits</b>		<b>10211000</b>	<b>2,900,267,672.57</b>	-
Investments in Time Deposits-Local Currency		10211010	2,900,267,672.57	-
<b>Receivables</b>		<b>10300000</b>	<b>972,752,371.19</b>	<b>57,432,625.60</b>
<b>Loans and Receivable Accounts</b>		<b>10301000</b>	<b>170,121,780.46</b>	<b>163,499.30</b>
Accounts Receivable		10301010	78,371,871.27	-
Interests Receivable		10301050	46,715,909.77	-
Allowance for Impairment-Interests Receivable		10301052	-	163,499.30
Receivables from Joint Ventures		10301220	45,033,999.42	-
<b>Lease Receivable</b>		<b>10302000</b>	<b>481,557,776.24</b>	<b>54,828,519.11</b>
Operating Lease Receivable		10302010	481,557,776.24	-
Allowance for Impairment-Operating Lease Receivable		10302012	-	54,828,519.11
<b>Inter-Agency Receivables</b>		<b>10303000</b>	<b>150,905,048.48</b>	<b>23,041.72</b>
Due from National Government Agencies		10303010	150,000,000.00	-
Due from Subsidiaries		10303060	905,048.48	-
Allowance for Impairment-Due from Subsidiaries		10303062	-	23,041.72
<b>Other Receivables</b>		<b>10399000</b>	<b>170,167,766.01</b>	<b>2,417,565.47</b>
Due from Officers and Employees		10399020	913,599.08	-
Allowance for Impairment-Due from Officers and Employees		10399022	-	37,948.74
Other Receivables		10399990	169,254,166.93	-
Allowance for Impairment-Other Receivables		10399992	-	2,379,616.73
<b>Inventories</b>		<b>10400000</b>	<b>5,712,174.46</b>	<b>3,514,962.22</b>
<b>Inventory Held for Consumption</b>		<b>10404000</b>	<b>5,712,174.46</b>	<b>3,514,962.22</b>
Office Supplies Inventory		10404010	732,660.70	-
Medical, Dental and Laboratory Supplies Inventory		10404070	60,287.83	-
Fuel, Oil and Lubricants Inventory		10404080	145,693.37	-
Other Supplies and Materials Inventory		10404990	4,773,532.56	-
Allowance for Impairment-Other Supplies and Materials Inventory		10404992	-	3,514,962.22
<b>Other Assets</b>		<b>19900000</b>	<b>68,263,719.01</b>	-
<b>Prepayments</b>		<b>19902000</b>	<b>68,263,719.01</b>	-
Prepaid Registration		19902030	2,419,429.60	-
Prepaid Insurance		19902050	1,950,513.40	-
Creditable Input Tax		19902070	74,571.46	-
Withholding Tax at Source		19902080	63,783,298.30	-
Other Prepayments		19902990	35,906.25	-
<b>Non-current Assets</b>		<b>10000000</b>	<b>73,675,416,171.43</b>	<b>2,559,178,959.51</b>
<b>Investments</b>		<b>10200000</b>	<b>1,726,827,691.08</b>	<b>177,467,410.58</b>
<b>Investments in Joint Venture</b>		<b>10205000</b>	<b>1,485,816,700.00</b>	-
Investments in Joint Ventures		10205010	1,485,816,700.00	-
<b>Investments in Subsidiaries</b>		<b>10210000</b>	<b>225,193,889.26</b>	<b>163,993,889.06</b>
Investments in Subsidiaries		10210010	225,193,889.26	-
Allowance for Impairment-Investments in Subsidiaries		10210012	-	163,993,889.06
<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>		<b>10213000</b>	<b>796,970.00</b>	-
Financial Assets at Fair Value Through Other Comprehensive Income		10213010	796,970.00	-
<b>Other Investments</b>		<b>10299000</b>	<b>15,020,131.82</b>	<b>13,473,521.52</b>
Investments in Stocks		10299010	13,368,079.47	-
Allowance for Impairment-Investments in Stocks		10299012	-	13,186,921.52
Other Investments		10299990	1,652,052.35	-
Allowance for Impairment-Other Investments		10299992	-	286,600.00
<b>Receivables</b>		<b>10300000</b>	<b>103,312,641.23</b>	<b>4,820,951.00</b>
<b>Loans and Receivable Accounts</b>		<b>10301000</b>	<b>50,879,182.48</b>	<b>4,151,565.13</b>
Accounts Receivable		10301010	50,879,182.48	-
Allowance for Impairment-Accounts Receivable		10301012	-	4,151,565.13
<b>Other Receivables</b>		<b>10399000</b>	<b>52,433,458.75</b>	<b>669,385.87</b>
Due from Officers and Employees		10399020	52,433,458.75	-
Allowance for Impairment-Due from Officers and Employees		10399022	-	669,385.87
<b>Investment Property</b>		<b>10500000</b>	<b>66,002,924,626.67</b>	<b>4,178,871.85</b>
<b>Land and Buildings</b>		<b>10501000</b>	<b>65,995,569,621.85</b>	<b>4,178,871.85</b>
Investment Property, Land		10501010	64,953,311,500.00	-
Investment Property, Buildings		10501020	1,042,258,121.85	-
Accumulated Depreciation-Investment Property, Buildings		10501021	-	4,178,871.85
<b>Construction in Progress</b>		<b>10598000</b>	<b>7,355,004.82</b>	-
Construction in Progress-Investment Property, Buildings		10598010	7,355,004.82	-
<b>Property, Plant and Equipment</b>		<b>10600000</b>	<b>5,727,911,787.70</b>	<b>2,371,533,820.33</b>
<b>Land</b>		<b>10601000</b>	<b>3,319,670,528.40</b>	-
Land		10601010	3,319,670,528.40	-
<b>Land Improvements</b>		<b>10602000</b>	<b>24,399,465.34</b>	<b>23,622,465.34</b>
Other Land Improvements		10602990	24,399,465.34	-
Accumulated Depreciation-Other Land Improvements		10602991	-	23,622,465.34
<b>Infrastructure Assets</b>		<b>10603000</b>	<b>2,182,996,127.47</b>	<b>2,182,996,127.47</b>
Road Networks		10603010	2,182,996,127.47	-
Accumulated Depreciation-Road Networks		10603011	-	2,182,996,127.47
<b>Buildings and Other Structures</b>		<b>10604000</b>	<b>125,008,775.14</b>	<b>112,327,337.82</b>
Buildings		10604010	125,008,775.14	-
Accumulated Depreciation-Buildings		10604011	-	112,327,337.82
<b>Machinery and Equipment</b>		<b>10605000</b>	<b>17,997,173.75</b>	<b>16,901,157.79</b>
Office Equipment		10605020	2,056,842.91	-
Accumulated Depreciation-Office Equipment		10605021	-	2,056,842.91
Information and Communication Technology Equipment		10605030	5,583,921.73	-
Accumulated Depreciation-Information and Communication Technology Equipment		10605031	-	5,467,302.65
Communications Equipment		10605070	190,000.00	-
Accumulated Depreciation-Communications Equipment		10605071	-	189,999.00
Construction and Heavy Equipment		10605080	4,486,176.66	-
Accumulated Depreciation-Construction and Heavy Equipment		10605081	-	3,828,162.61
Sports Equipment		10605130	181,801.83	-
Accumulated Depreciation-Sports Equipment		10605131	-	181,697.83
Other Machinery and Equipment		10605990	5,498,430.62	-
Accumulated Depreciation-Other Machinery and Equipment		10605991	-	5,177,168.79
<b>Transportation Equipment</b>		<b>10606000</b>	<b>49,641,769.64</b>	<b>30,003,120.05</b>
Motor Vehicles		10606010	49,641,769.64	-
Accumulated Depreciation-Motor Vehicles		10606011	-	30,003,120.05
<b>Furniture, Fixtures and Books</b>		<b>10607000</b>	<b>1,484,066.89</b>	<b>1,309,944.73</b>
Furniture and Fixtures		10607010	1,484,066.89	-
Accumulated Depreciation-Furniture and Fixtures		10607011	-	1,309,944.73
<b>Leased Assets Improvements</b>		<b>10609000</b>	<b>4,373,670.13</b>	<b>4,373,667.13</b>
Leased Assets Improvements, Buildings and Other Structures		10609020	4,373,670.13	-
Accumulated Depreciation-Leased Assets Improvements, Buildings and Other Structures		10609021	-	4,373,667.13
<b>Construction in Progress</b>		<b>10698000</b>	<b>2,340,210.94</b>	-

Construction in Progress-Leased Assets Improvements	10698050	2,340,210.94	-
<b>Intangible Assets</b>	<b>10800000</b>	<b>446,428.57</b>	-
<b>Intangible Assets</b>	<b>10801000</b>	<b>446,428.57</b>	-
Computer Software	10801020	446,428.57	-
<b>Deferred Tax Assets</b>	<b>11200000</b>	<b>24,542,414.37</b>	-
<b>Deferred Tax Assets</b>	<b>11201000</b>	<b>24,542,414.37</b>	-
Deferred Tax Assets	11201010	24,542,414.37	-
<b>Other Assets</b>	<b>19900000</b>	<b>89,450,581.81</b>	<b>1,177,905.75</b>
<b>Deposits</b>	<b>19903000</b>	<b>73,900,225.82</b>	-
Guaranty Deposits	19903020	71,072,000.00	-
Other Deposits	19903990	2,828,225.82	-
<b>Restricted Fund</b>	<b>19904000</b>	<b>14,260,540.87</b>	-
Restricted Fund	19904010	14,260,540.87	-
<b>Other Assets</b>	<b>19999000</b>	<b>1,289,815.12</b>	<b>1,177,905.75</b>
Deferred Charges/Losses	19999080	1,057,622.42	-
Other Assets	19999990	232,192.70	-
Accumulated Impairment Losses-Other Assets	19999992	-	1,177,905.75
<b>Liabilities</b>	<b>20000000</b>	-	<b>29,008,040,486.29</b>
<b>Current Liabilities</b>	<b>20000000</b>	-	<b>11,698,365,769.42</b>
<b>Financial Liabilities</b>	<b>20100000</b>	-	<b>11,442,525,733.04</b>
<b>Payables</b>	<b>20101000</b>	-	<b>24,886,117.03</b>
Accounts Payable	20101010	-	24,886,117.03
<b>Other Financial Liabilities</b>	<b>20199000</b>	-	<b>11,417,639,616.01</b>
Other Financial Liabilities	20199990	-	11,417,639,616.01
<b>Inter-Agency Payables</b>	<b>20200000</b>	-	<b>79,475,823.72</b>
<b>Inter-Agency Payables</b>	<b>20201000</b>	-	<b>79,475,823.72</b>
Due to BIR	20201010	-	754,961.60
Due to Paq-IBIG	20201030	-	24,297.06
Due to SSS	20201110	-	133,490.43
Income Tax Payable	20201130	-	78,563,074.63
<b>Trust Liabilities</b>	<b>20400000</b>	-	<b>103,412,785.95</b>
<b>Trust Liabilities</b>	<b>20401000</b>	-	<b>103,412,785.95</b>
Trust Liabilities	20401010	-	3,789,628.75
Customers' Deposits Payable	20401050	-	99,623,157.20
<b>Deferred Credits/Unearned Revenue/Income</b>	<b>20500000</b>	-	<b>72,951,426.71</b>
<b>Deferred Credits</b>	<b>20501000</b>	-	<b>72,951,426.71</b>
Output Tax	20501030	-	12,757,257.10
Other Deferred Credits	20501990	-	60,194,169.61
<b>Non-current Liabilities</b>	<b>20900000</b>	-	<b>17,309,674,716.87</b>
<b>Deferred Tax Liabilities</b>	<b>20901000</b>	-	<b>17,309,674,716.87</b>
<b>Deferred Tax Liabilities</b>	<b>20901010</b>	-	<b>17,309,674,716.87</b>
Deferred Tax Liabilities	20901010	-	17,309,674,716.87
<b>Equity</b>	<b>30000000</b>	<b>129,041,580.09</b>	<b>46,844,051,394.01</b>
<b>Revaluation Surplus</b>	<b>30200000</b>	-	<b>2,398,549,815.54</b>
<b>Revaluation Surplus</b>	<b>30201000</b>	-	<b>2,398,549,815.54</b>
Revaluation Surplus	30201010	-	2,398,549,815.54
<b>Unrealized Gain/(Loss)</b>	<b>30500000</b>	<b>24,000.00</b>	-
<b>Unrealized Gain/(Loss)</b>	<b>30501000</b>	<b>24,000.00</b>	-
Unrealized Gain/(Loss) from Changes in the Fair Value of Financial Instruments	30501020	24,000.00	-
<b>Retained Earnings/(Deficit)</b>	<b>30700000</b>	-	<b>36,507,720,877.34</b>
<b>Retained Earnings/(Deficit)</b>	<b>30701000</b>	-	<b>36,507,720,877.34</b>
Retained Earnings/(Deficit)	30701010	-	36,507,720,877.34
<b>Stockholders' Equity</b>	<b>30800000</b>	<b>129,017,580.09</b>	<b>7,937,780,701.13</b>
<b>Stockholders' Equity</b>	<b>30801000</b>	<b>129,017,580.09</b>	<b>7,937,780,701.13</b>
Subscriptions Receivable	10399060	56,158,830.84	-
Share Capital	30801010	-	2,339,916,950.64
Share Premium	30801020	-	46,137,443.18
Subscribed Share Capital	30801030	56,158,831.00	-
Treasury Shares	30801040	16,699,918.45	-
Other Equity Instruments	30801990	-	5,551,726,307.31
<b>Revenue/Income</b>	<b>40000000</b>	-	<b>252,839,024.16</b>
<b>Service and Business Income</b>	<b>40200000</b>	-	<b>252,838,023.88</b>
<b>Business Income</b>	<b>40202000</b>	-	<b>252,838,023.88</b>
Rent/Lease Income	40202050	-	84,929,702.11
Interest Income	40202210	-	40,478,783.64
Share in the Profit//Revenue of Joint Venture	40202220	-	127,429,538.13
<b>Other Non-Operating Income</b>	<b>40600000</b>	-	<b>1,000.28</b>
<b>Miscellaneous Income</b>	<b>40699000</b>	-	<b>1,000.28</b>
Miscellaneous Income	40699990	-	1,000.28
<b>Expenses</b>	<b>50000000</b>	<b>142,738,071.78</b>	-
<b>Personnel Services</b>	<b>50100000</b>	<b>33,583,857.96</b>	-
<b>Salaries and Wages</b>	<b>50101000</b>	<b>20,629,742.57</b>	-
Salaries and Wages-Regular	50101010	20,629,742.57	-
<b>Other Compensation</b>	<b>50102000</b>	<b>9,362,327.33</b>	-
Personnel Economic Relief Allowance (PERA)	50102010	327,063.90	-
Clothing/Uniform Allowance	50102040	385,000.00	-
Honoraria	50102100	495,000.00	-
Overtime and Night Pay	50102130	549,683.63	-
Year End Bonus	50102140	1,684,404.15	-
Cash Gift	50102150	67,500.00	-
Mid-Year Bonus	50102160	3,090,875.59	-
Directors and Committee Members' Fees	50102170	2,492,800.06	-
Other Bonuses and Allowances	50102990	270,000.00	-
<b>Personnel Benefit Contributions</b>	<b>50103000</b>	<b>810,687.65</b>	-
Pag-IBIG Contributions	50103020	32,800.00	-
PhilHealth Contributions	50103030	217,997.65	-
Employees Compensation Insurance Premiums	50103040	559,890.00	-
<b>Other Personnel Benefits</b>	<b>50104000</b>	<b>2,781,100.41</b>	-
Terminal Leave Benefits	50104030	1,107,543.41	-
Other Personnel Benefits	50104990	1,673,557.00	-
<b>Maintenance and Other Operating Expenses</b>	<b>50200000</b>	<b>43,789,173.77</b>	-
<b>Traveling Expenses</b>	<b>50201000</b>	<b>321,857.15</b>	-
Traveling Expenses-Local	50201010	321,857.15	-
<b>Training and Scholarship Expenses</b>	<b>50202000</b>	<b>2,552.00</b>	-
Training Expenses	50202010	2,552.00	-
<b>Supplies and Materials Expenses</b>	<b>50203000</b>	<b>1,123,135.99</b>	-
Office Supplies Expenses	50203010	101,770.16	-
Drugs and Medicines Expenses	50203070	5,204.64	-
Fuel, Oil and Lubricants Expenses	50203090	561,055.19	-
Semi-Expendable Machinery and Equipment Expenses	50203210	418,807.14	-
Other Supplies and Materials Expenses	50203990	36,298.86	-
<b>Utility Expenses</b>	<b>50204000</b>	<b>582,756.68</b>	-
Water Expenses	50204010	135,723.28	-
Electricity Expenses	50204020	447,033.40	-
<b>Communication Expenses</b>	<b>50205000</b>	<b>290,265.48</b>	-
Postage and Courier Services	50205010	7,575.00	-
Telephone Expenses	50205020	152,683.32	-
Internet Subscription Expenses	50205030	125,775.00	-
Cable, Satellite, Telegraph and Radio Expenses	50205040	4,232.16	-
<b>Professional Services</b>	<b>50211000</b>	<b>1,458,535.96</b>	-
Legal Services	50211010	466,965.45	-
Auditing Services	50211020	925,945.50	-
Other Professional Services	50211990	65,625.01	-
<b>General Services</b>	<b>50212000</b>	<b>6,627,532.34</b>	-

Security Services	50212030	5,594,782.34	-
Other General Services	50212990	1,032,750.00	-
<b>Repairs and Maintenance</b>	<b>50213000</b>	<b>149,816.08</b>	-
Repairs and Maintenance-Buildings and Other Structures	50213040	7,541.33	-
Repairs and Maintenance-Transportation Equipment	50213060	136,274.75	-
Repairs and Maintenance-Other Property, Plant and Equipment	50213990	6,000.00	-
<b>Taxes, Insurance Premiums and Other Fees</b>	<b>50215000</b>	<b>31,973,326.20</b>	-
Taxes, Duties and Licenses	50215010	5,313,552.63	-
Insurance/Reinsurance Expenses	50215030	821,548.56	-
Income Tax Expenses	50215040	25,838,225.01	-
<b>Other Maintenance and Operating Expenses</b>	<b>50299000</b>	<b>1,259,395.89</b>	-
Representation Expenses	50299030	266,024.94	-
Membership Dues and Contributions to Organizations	50299060	49,369.50	-
Donations	50299080	3,000.00	-
Major Events and Conventions Expenses	50299180	263,087.96	-
Other Maintenance and Operating Expenses	50299990	675,913.49	-
<b>Financial Expenses</b>	<b>50300000</b>	<b>63,618,000.00</b>	-
<b>Financial Expenses</b>	<b>50301000</b>	<b>63,618,000.00</b>	-
Bank Charges	50301040	1,000.00	-
Other Financial Charges	50301990	63,617,000.00	-
<b>Non-Cash Expenses</b>	<b>50500000</b>	<b>1,747,040.05</b>	-
<b>Depreciation</b>	<b>50501000</b>	<b>1,747,040.05</b>	-
Depreciation-Buildings and Other Structures	50501040	486,637.68	-
Depreciation-Machinery and Equipment	50501050	32,437.84	-
Depreciation-Transportation Equipment	50501060	1,227,964.53	-
<b>Total</b>		<b>P 78,725,057,451.79</b>	<b>P 78,725,057,451.79</b>

PHILIPPINE NATIONAL CONSTRUCTION CORPORATION  
**STATEMENTS OF CHANGES IN EQUITY**  
**For the Quarter Ended March 31, 2026**  
(In Philippine Peso)

	Note	Share Capital (Notes 4.16, 24)	Share Premium (Note 4.16)	Equity Adjustment - Loans Transferred to National Gov't (Note 26)	Subscriptions Receivable (Notes 4.16, 25)	Treasury Stock (Notes 4.16, 24)	Revaluation Surplus (Note 4.12)	Retained Earnings (Note 4.16)	Accumulated Other Comprehensive Income (loss)	TOTAL
Balance at December 31, 2025		2,283,758,120	46,137,443	5,551,726,307	(56,158,831)	(16,699,918)	2,398,549,812	36,477,712,721	(24,000)	46,685,001,654
Add (Deduct):										0
Correction of prior year's income	35							30,008,159	0	30,008,159
As at January 1, 2026, as restated		2,283,758,120	46,137,443	5,551,726,307	(56,158,831)	(16,699,918)	2,398,549,812	36,507,720,880	(24,000)	46,715,009,813
Changes in equity for 2026										0
Add (Deduct):										0
Comprehensive loss for the year, as restated								110,100,952		110,100,952
Other comprehensive income										0
Unrealized gain on financial asset at FVOCI										0
Movement in revaluation increment, net of tax							0			0
Other adjustments										0
Piecemeal realization of revaluation increment								0		0
Reduction in deferred tax liability										-
Balance at March 31, 2026		2,283,758,120	46,137,443	5,551,726,307	(56,158,831)	(16,699,918)	2,398,549,812	36,617,821,832	(24,000)	46,825,110,765

## EXHIBIT 5

### PHILIPPINE NATIONAL CONSTRUCTION CORPORATION

#### 1.5. Notes to Interim Financial Statements

##### 1.5.1. Earnings (loss) Per Share

The Company's earnings (loss) per share is presented on the face of the Statement of Comprehensive Income (Exhibit 2). Said earnings (loss) per share is computed by dividing the net income (loss) by the number of outstanding common shares.

##### 1.5.2. Disclosure that the issuer's interim financial report is in compliance with the generally accepted accounting principles

The interim financial statements of the Company are prepared using the historical cost basis. The interim financial statements are presented in Philippine Peso, which is the Company's functional currency. All amounts rounded off to the nearest peso except otherwise indicated.

The interim financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). PFRSs are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Standards Board (IASB), and approved by the Philippine Board of Accountancy.

##### 1.5.3. Notes to Financial Statements

###### 1.5.3.a. Accounting Policies and Methods

- 1.5.3.a.1. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

The most recent annual financial statements were reclassified/converted to adopt the Revised Chart of Accounts pursuant to COA Circular No. 2015-010 dated December 1, 2015.

###### 1.5.3.a.2. Revenue Recognition

*Revenue and Dividend Share from Joint Venture Companies (JVCs)*

Pursuant to the Supreme Court En Banc Decision, as discussed in Note 1 to the 2022 Audited Financial Statements, the Company no longer recorded the tollways income from the North and South Luzon Tollways (NLT and SLT).

Pending issuance of the Implementing Rules and Guidelines for the determination of the amounts due to the Company for its

administrative expenses, the Company recognized 10 percent of its share from the JVCs gross toll revenues, in accordance with the interim rules and guidelines issued by TRB.

Dividend income is recognized when the Company's right to receive the payment is established.

#### *Rental Income*

Rental income from operating leases, wherein substantially all the risks and rewards of ownership are retained by the Company as a lessor, is recognized on a straight-line basis over the term of the relevant lease. The rent income is derived from the Company's properties not used in business and being leased out to third parties for a certain period, renewable under such terms and conditions as may be agreed upon by both parties.

#### *Service Income and Cost*

Service income and costs are recognized on the basis of percentage of completion method.

#### *Other Income*

Other income is recognized when earned.

#### 1.5.3.a.3 Allowance for Impairment Losses on Loans and Receivables

The Company maintains an allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by Management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the customer's and lessee's payment behavior and known market factors. The Company reviews the age and status of receivables, and identifies accounts that are to be provided with allowances on a continuous basis.

The amount and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates. An increase in the allowance for impairment losses on receivables would increase recorded operating expenses and decrease current assets.

#### 1.5.3.a.4 Prepayments

Prepayments are expenses paid in advance and recorded as assets before these are utilized. These are comprised of insurance premiums, other prepaid items, and creditable withholding taxes. Prepayments that are expected to be realized for no more than 12

months after the reporting date are classified as current assets; otherwise, these are classified as other non-current assets.

Prepayments also include inventories consisting principally of construction materials, spare parts, and supplies which are stated at cost, generally determined by the average cost method for a significant portion of domestic inventories and by the first-in, first-out method for other inventories. Allowance for inventory write-down is provided for all non-moving/obsolete items.

#### 1.5.3.a.5 Investments

The Company accounts for its investments in wholly-owned/controlled subsidiaries at cost while other investments classified as financial assets are measured at fair value. Allowance for impairment loss is provided for investment in subsidiaries while market adjustment is accounted for financial assets measured at fair value and recognized as other comprehensive income or loss.

The Company believes that the effects of not consolidating the subsidiaries are not material to the financial statements because these subsidiaries are no longer operating, except for DISC Contractors, Builders and General Services, Inc. (DCBGSI) which has been incurring losses, resulting in accumulated deficit. In addition, in 2015, the Company has initiated the process of closing its subsidiaries that are no longer operating and those that are losing. On October 1, 2015, as part of the reorganization and streamlining of Company operations, PNCC assumed the operations of DCBGSI which now operates as a separate division of the Company.

In a regular board meeting held on November 14, 2011, the PNCC Board resolved to comply with the mandate of the Supreme Court to transfer and turn over to the National Government (NG) the shares of stock in tollway Joint Venture Companies (JVCs) which PNCC is holding in trust for the NG.

Available for sale equity securities (club shares) are recorded/measured/presented at fair market value as provided for under Philippine Interpretations Committee (PIC) Q&A 6-02.

#### 1.5.3.a.6 Investment Property

Investment property is comprised of land or building or both held to earn rentals or for capital appreciation or both. Investment property is recognized as an asset when and only when it is probable that future economic benefits associated with the property flows to the entity and the cost of the property can be measured reliably.

Investment property is initially measured at cost. Subsequent to initial recognition, the account is stated at fair value, which has been

determined based on the average valuations performed by two independent firms of appraisers every other year. The changes in fair value are recognized in profit or loss.

1.5.3.a.7 Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and any accumulated impairment in value. Property and equipment are subsequently carried at revalued amounts.

Depreciation commences once the property and equipment are available for use and is computed using the straight-line method over the following estimated useful lives:

Asset Type	Estimated Useful Lives (in years)
Land improvements	10
Buildings and improvements	10 to 33
Construction equipment	2 to 10
Transportation equipment	3 to 5
Office equipment, furniture and fixtures	5
Others	2 to 7

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is charged against operations.

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

1.5.3.a.8 Revaluation Increment in Property

The increase in the property and equipment's carrying amount as a result of revaluation is credited to equity under the heading of "Revaluation Increment in Property". The revalued asset is being depreciated and, as such, part of the revaluation increment is being realized as the asset is used. Realization of the revaluation increment is credited to "Retained Earnings" account.

Piecemeal realization of the revaluation increment is effected every two (2) years.

1.5.3.a.9 Borrowing Costs

Borrowing costs are expensed as incurred. These costs represent the two per cent penalty charges imposed by the Toll Regulatory Board (TRB) on unpaid concession fees.

1.5.3.a.10 Income Taxes

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

For financial reporting purposes, deferred tax assets are recognized for the carry forward benefits of unused tax credits from Net Operating Loss Carry-Over (NOLCO) and from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

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

1.5.3.b Comments about the seasonality or cyclicity of interim operations

- Not applicable -

1.5.3.c Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents

- Not applicable -

1.5.3.d Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have material effects in the current interim period

- Not applicable -

1.5.3.e Issuances, repurchases, and repayments of debt and equity securities

PNCC was not able to make any settlement of its concession fee obligation to the Toll Regulatory Board (TRB) during the six months ended and as of March

31, 2023. The last payment was made on December 2016. Penalty charges of 2% accruing from the TRB loan are continuously recognized in the books.

The Company intends to pay recognized debts using the proceeds from the sale of its investment properties. The Board approved the offer to apply part of FCA to pay liabilities to the National Government (NG). The Company sent a letter dated July 21, 2015 to the OP recognizing its liability to the NG in the amount of P7.9 billion and proposing to “pay off the recognized obligations, particularly given that the obligation to the TRB for unpaid concession fees carries with it a penalty of two percent per month.” The Company is awaiting the decision of the OP.

1.5.3.f Payment of dividend

There were no dividends paid during the three months ended March 31, 2026.

1.5.3.g Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period

- None -

1.5.3.h Effect of changes in the composition of the issuer during the interim period, including business combinations, acquisition, or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

- None -

1.5.3.i Changes in contingent liabilities or contingent assets since the last annual balance sheet date

- None -

1.5.3.j Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period

1.5.3.j.1 Pending Lawsuits and Litigations:

The Company is involved in continuing litigations relating to labor and civil cases. The ultimate outcome of these litigations cannot be determined yet and no provision for any liability that may result can be made in the financial statements.

The labor cases consist of those filed against the Company comprised mostly of claims for illegal dismissal, backwages, separation pay, and unpaid benefits. Most of these cases have been ruled by the Labor Arbiter in favor of the complainant. However, these cases are on appeal by the Company before the National Labor Relations Commission, Court of Appeals and Supreme Court.

The civil cases filed against the Company consist of cases involving damages, collection of money, and attorney's fees, which are still in litigation before various Regional Trial Courts. On the other hand, those filed by the Company against other individuals or companies consist of suits involving sums of money, damages, and breaches of contract which involve undeterminable amount of money.

#### 1.5.3.j.2 Tax Matters

As stated in Note 35 of the 2025 Audited Financial Statements, the Company was assessed by the Bureau of Internal Revenue (BIR) for deficiencies in various taxes. However, no provision for any liability has been made yet in the Company's financial statements.

- Deficiency internal revenue taxes for taxable year 1980 (income tax, contractor's tax, and documentary stamp tax) totaling P212.52 million.
- Deficiency business tax of P64 million due the Belgian Consortium, the Company's partner in its LRT Project.
- Deficiency internal revenue taxes for taxable year 1992 (income tax, value-added tax, and expanded withholding tax) of P1.04 billion which was reduced to P709 million after the Company's written protest.
- Deficiency internal revenue taxes for the taxable year 2002 totaling P72.92 million.
- Deficiency taxes for taxable year 2006 amounting to P116.141 million (inclusive of interest of P48.76 million).

## EXHIBIT 6

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

Item 2.1 Comparable discussion that will enable the reader to assess material changes in financial condition and results of operation since the end of the last fiscal year and for the comparable interim period in the preceding financial year.

#### Financial Position:

As of March 31, 2026, the Company's resources totaled P75.833 billion, higher by P236.370 million or 0.31% compared to the December 31, 2025 figure of P75.597 billion.

The increase in resources was attributable to the increase in cash and cash equivalent provided by the Company's operating and investing activities, as offset by the decrease in Other Investment.

Please refer to Item 2.2.e for further analysis of material changes in the financial statements.

#### Results of Operations:

The Company's net income of P110.101 million for the three months ended March 31, 2026 decreased by P3.243 million or 2.86% compared to the reported net income of P113.344 million for the same period of 2025. This is due to the decrease in Interest Income and Dividend income vis-à-vis the increase in General & Administrative Cost.

#### Key Performance Indicators:

Please refer to Exhibit 7 for the analysis of the Company's key performance indicators.

Item 2.2 Discussion and analysis of material event/s and uncertainties known to Management that would address the past and would have an impact on future operations on the following:

2.2.a Any known trends, demands, commitments, events, uncertainties that will have a material impact on the issuer's liquidity

2.2.a.1 The Company's inability to settle its outstanding obligations with the TRB and the National Government brought about by the difficulties in collecting receivables from various government agencies.

2.2.a.2 Pending labor cases which consist of those filed against the Company involving dismissal, back wages, and separation pay; most of which had been ruled by the Labor Arbiter in favor of the

complainants, pending appeal by PNCC before the National Labor Relation Commission (NLRC).

2.2.a.3 Pending civil cases which consist of those filed against the Company involving damages, collection of money, and attorney's fees which are still on litigation before the various Regional Trial Courts (RTC).

2.2.a.4 Pending assessments on deficiency taxes. Discussion is contained under Item 1.5.3.j.2 including courses of actions already undertaken by the Company to address the issue.

To address PNCC's liquidity concern, the Company implemented a program of manpower rightsizing in 2001. The program will be considered in the succeeding quarters/years until the Company attains manpower complement to match its present revenue level which is generated by its share in the Joint Venture Companies' gross toll revenue and its earnings from the leased FCA property.

The Company does not have material off-balance sheet transactions and arrangements during the reporting period.

As of reporting quarter, there is nothing that trigger direct or contingent financial obligation that is material to the Company, except for the default in payment of its TRB loan and the recognition of debts to the National Government.

2.2.b Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures

- None –

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

The following had affected the revenue generating capacity of the Company:

- The veering away from the construction business since 2002;
- The turnover of the North Luzon Tollway operations to the MNTC on February 10, 2005;
- The turnover of its South Luzon Tollway operations to SLTC/MATES on May 2, 2010; and
- DPWH's takeover of the Daang Hari Project (pursuant to its PPP mandate).

2.2.d Any significant elements of income or loss that did not arise from the issuer's continuing operations

Income Statement	FOR THE SIX MONTHS ENDED		INCREASE/(DECREASE)		Remarks
	March-31	March-31	Amount	%	
	2026	2025			
REVENUES	212,359,240	184,977,696	27,381,544	14.80%	Attributable to increase in rental income from FCA properties and JV Shares
Other Income (Charges)	38,732,744	47,322,559	(8,589,815)	(18.15%)	Attributable to the decreases in Interest Income, Dividend Income and Miscellaneous income vis-à-vis the increase in Depreciation expense
Personnel Services	33,583,858	20,025,582	13,558,276	67.70%	Attributable to the implementation of CPCS II
Maintenance and Other Operating Expenses	17,951,949	13,608,639	4,343,310	31.92%	Attributable to increases in Fuel & Lubricants. Security Services, etc.
Income Tax	25,838,225	21,704,588	4,133,637	19.04%	Attributable to higher Revenue in 2026.

2.2.e The causes for any material change/s (5% or more) from period to period in one or more line items of the issuer's financial statements

Balance Sheet	AS AT		INCREASE/(DECREASE)		Remarks
	March-31	December-31	Amount	%	
	2026	2025			
Cash	830,865,691	308,528,822	522,336,869	169.30%	Attributable to cash flow provided by operating activities

Other Investment - Placements	2,900,267,673	3,249,270,785	(349,003,112)	(10.74%)	Attributable to transfer of short-time deposit to LBP Investment bond.
Receivables, net	915,319,746	854,547,055	60,772,691	7.11%	Attributable to the increase in uncollected rental of PCPI.
Inventories	2,197,212	2,353,699	(156,487)	(6.65%)	Attributable to the decreases in fuel and oil, other Supplies and medical materials vis-s-vis increase in office supplies.
Other current Assets- Prepayments	63,644,587	58,555,950	5,088,637	8.69%	Attributable to the increase in Withholding-at-source
Financial Liabilities	24,886,117	23,434,648	1,451,469	6.19%	Attributable to increases in unpaid accounts to suppliers of goods and services and accrual of expenses.
Inter-agency Payable	79,475,824	53,684,033	25,791,791	48.04%	Attributable to increase Income Tax Payable
Deferred Credits/unearned Income	72,951,427	67,550,719	5,400,708	8.00%	Attributable to increase in deferred output tax brought about by the non-collection of rental income.

2.2.f Any seasonal aspects that had a material effect on the financial condition or results of operations

- Not applicable -

## FINANCIAL INFORMATION

### Management's Discussion and Analysis

#### 1st Quarter 2026 vs. 1st Quarter 2025

##### Results of Operations

**Revenue.** Revenue for the quarter ended March 31, 2026 stood at ₱212.359 million, higher by 14.80% or ₱27.382 million compared to ₱184.978 million for the quarter ended March 31, 2025. The increase was attributable to the increase in JV Revenue Shares and Rental Income.

**General and Administrative Overhead.** Overhead account increased by 53.22% or ₱17.902 million from ₱33.634 million for the quarter ended March 31, 2025 to ₱51.536 million for the quarter ended March 31, 2026 due to the increases in employees cost due to CPCS II adjustment that took effect only on January 2026 and increase in Maintenance and other operating expense i.e Fuel & Lubricant, etc.

**Income from Operation.** Income from operation for the quarter ended March 31, 2026 increased by 6.26% or ₱9.480 million from ₱151.343 million for the quarter ended March 31, 2025 to ₱160.823 million for the quarter ended March 31, 2026. Said favorable variance was the resulting effect of the reasons discussed above.

**Other Income (Charges).** This account posted a balance of ₱38.733 million for the quarter ended March 31, 2026 compared to ₱47.323 million for the quarter ended March 31, 2025. The 18.15% decrease was due to the decreases in Interest Income, Dividends and Miscellaneous Income Income vis-à-vis the increase in Depreciation Expense.

**Comprehensive Income (Loss).** Net Comprehensive Income for the quarter ended March 31, 2026 amounted to ₱110.101 million compared to the net income of ₱113.344 million for the quarter ended March 31, 2025. The variance was due to the reasons discussed above.

##### Financial Position

**Current Assets.** Current assets increased by 19.48% or ₱768.972 million from ₱3.948 billion as of March 31, 2025 to ₱4.717 billion as of March 31, 2026 due to the cash flows provided by the Company's operating and investing activities, receivables and other non-current assets against the decreases in Inventories and Other Investments.

**Current Liabilities.** Current liabilities increased by 2.51% or ₱286.530 million from ₱11.408 billion as of March 31, 2025 to ₱11.695 billion as of March 31, 2026 due to the accrual of the 2% penalty charges on unpaid concession fee payable to the Toll Regulatory Board (TRB) and Other deferred credits.

**Stockholder's Equity.** Stockholder's Equity as of March 31, 2026 totalled ₱46.825 billion vis-à-vis the stockholders' equity as of March 31, 2025 in the amount of ₱36.935 billion. The increase in the account is attributable to the effect of appraisal of properties in the later part of 2025 and comprehensive income in 2026.

Presented hereunder is the discussion of the Company's key performance indicators:

Performance Indicators	As of	Explanation
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	03/31/2026 (Unaudited)	03/31/2025 (Unaudited)	
<b><u>Current/Liquidity Ratios</u></b>			
<b><i>Current Ratio (Current Assets Divided by Current Liabilities)</i></b>	0.40	0.35	<p>This ratio evaluates the ability of the company to pay its current debt promptly.</p> <p>Current ratio of 0.35 as of March 31, 2025 slightly increased to 0.40 as of March 31, 2026 due to cash inflows provided by operating activities and Receivables vis-à-vis the decreases in Inventories.</p>
<b><u>Solvency Ratios</u></b>			
<b><i>Debt to Assets (Total Liabilities Divided by Total Assets)</i></b>	38.25%	40.93%	<p>Shows what percentage of the business is not owned by the stockholders. Determines how much of the company is financed by debts.</p> <p>The ratio decreased from 40.93% as of March 31, 2025 to 38.25% as of March 31, 2026 brought mainly by the accrual of the 2% penalty charges on unpaid concession fees.</p>
<b><i>Debt to Equity (Total Liabilities Divided by Total Equity)</i></b>	61.95%	69.28%	<p>Shows the proportion of the creditors' capital to the business' total capital. Measures the degree to which the assets of the business are financed by the debts and stockholders of the business.</p> <p>The ratio decreased from 69.28% as of March 31, 2025 to 61.95% as of March 31, 2026 was brought by the the accrual of the 2% penalty charges on unpaid concession fee to the Toll Regulatory Board (TRB).</p>
<b><i>Asset to Equity Ratio (Total Assets Divided by Total Equity)</i></b>	1.62	1.69	<p>Measures the total debt the company takes to acquire assets. Measures the company's capability to pay debts.</p> <p>The slight improvement of the ratio from 1.69 as of March 31, 2025 to 1.62 as of March 31, 2026 is due to the comprehensive income in 2026.</p>
<b><i>Interest Rate Coverage Ratio (Income Before Interest/Penalty/Interest and Taxes Divided by Interest/Penalty)</i></b>	2.73	2.78	<p>Determines how easily a company can pay interest on outstanding debt.</p> <p>The ratio decreased from 2.78 as of March 31, 2025 to 2.73 as of March 31, 2026 due to recognition of lower income in March 31, 2026 as compared to same period in 2025.</p>
<b><u>Profitability Ratios</u></b>			
<b><i>Return on Assets (Net Income (Loss) Divided by Total Assets)</i></b>	0.15%	0.18%	<p>Measures the Company's earnings in relation to all the resources it had at its disposal.</p> <p>The ratio of 0.18% as of March 31, 2025 vis-à-vis the ratio of 0.15% as of March 31, 2026 was the outcome of the income recognition of ₱113.344 million for March 31, 2025 as compared with the recognized comprehensive income of ₱110.101 million for the quarter ended March 31, 2026.</p>
<b><i>Return on Equity (Net Income (Loss) Divided by Total Equity)</i></b>	0.24%	0.31%	<p>Measures the rate of return on the ownership interest of the company's stockholders. Determines the productivity of the owners' capital.</p> <p>The decrease in the ratio from 0.31% to 0.24% is attributable to the decrease in stockholder's equity as a result of lower comprehensive income in March 31, 2026 vis-à-vis March 31, 2025.</p>

- (i) Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way. Indicate course of action that the Company has taken or proposes to take to remedy the deficiency.
  - i.a The Company's inability to settle its outstanding obligations with the Toll Regulatory Board and the National Government brought about by the difficulties in collecting its receivables from various government agencies.
  - i.b Pending labor cases which consists of those filed against the Company involving dismissal, backwages, and separation pay. Most of these cases have been ruled by the Labor Arbiter in favor of the complainants, pending appeal by the Company before the National Labor Relation Commission (NLRC).
  - i.c Pending lawsuits/litigations which consists of those filed against the Company involving damages, collection of money, and attorney's fees which are still on litigation before the various regional Trial Courts (RTC). Discussion is contained under Note 36 of the 2025 Audited Financial Statements, including courses of actions already undertaken by the Company to address the issue.
  - i.d Pending assessments on deficiency taxes. Discussion is contained under Note 35 of the 2025 Audited Financial Statements, including courses of actions already undertaken by the Company to address the issue.

Having encountered this liquidity concern, the Company implemented a program of manpower rightsizing and corporate restructuring in 2001 and has been pursued gradually until this year. Also, the Company will continue to pursue and invigorate its revenue share from Joint Venture Companies, earnings from leased FCA property, and the contracted participation in the Joint Venture's C6 Projects, Pasig River Expressway (PAREX) Project, Quezon-Bicol Expressway (QUBEX)/ South Luzon Toll Road 5 (TR5) Project and Greater Capital Region Integrated Expressway Network (GCRIEN) project. Partnership with PT Citra Lamtoro for the implementation of the Metro Manila Expressway of C6 and Metro Manila Skyway Stage 3 and the completion and commercial operation on revenue sharing basis for both Project Roads. The revenue scenario best rests on the policy directions intended by the Board and the NG through the PMO/DOF.

- (ii) Any events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

The default in payment of its TRB loan, the recognition of debts to the NG, pending assessments on tax deficiencies and contingent liabilities with respect to claims and lawsuits from Asiavest Merchant Bankers.

- (iii) There are no material off-balance sheet transactions, arrangements.
- (iv) There are no material commitments for capital expenditures.
- (v) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

- v.a The continued decline in the construction industry resulted to the Company's incurrance of severe losses from the said operation. Thus, to prevent from suffering greater losses as it had experienced for the last several years, Management decided to veer away with the construction business (since 2002) and focus on its tollways operation.
- v.b. The turn over of the North Luzon Tollway operations to the MNTC on February 10, 2005 had affected the revenue generating capacity of the Company.
- v.c. The hand-over of the South Luzon Tollway operation to the SLTC on May 02, 2010 likewise had an unfavorable impact on the Company's revenue.
- v.d The Supreme Court decision, in Ernesto B. Francisco vs. TRB, PNCC et. al. (G.R. Nos. 166910, 169917, 173630, and 183599, October 19, 2010) and in the case of Strategic Alliance Development Corporation vs. Radstock Securities Limited et. al. (G.R. No. 178158, December 04, 2009), ruled and declared that with the expiration of PNCC's franchise, the toll assets and facilities of PNCC were automatically turned over, by operation of law, to the National Government (NG) at no cost and, consequently, this inevitably resulted in the latter's owning too of the toll fees and the net income derived after May 01, 2007 from the toll assets and facilities, including the Company's percentage share in the toll fees collected by the joint venture companies currently operating the tollways.

Pending TRB's issuance of the Final Implementing Rules and Guidelines relative to the determination of the net income remittable by the Company to the National Government, the Company receives only the following revenue shares based on TRB's interim guidelines: 10% of 6% share on the MNTC(now NLEX Corporation) gross revenue; 10% of 3.5% share on the CMMTC (now SMC Skyway Corporation) gross revenue; 10% of 3.00% share on the SLTC (now SMC SLEX, Inc.) gross revenue; and 100% of 2.5% share on the CCEC(now SMC Skyway Stage 3 Corporation) gross revenue. It also receives 10% dividend in the equity share from CMMTC(now SMC Skyway Corporation).

- (vi) There are no significant elements of income or loss that did not arise from the Company's continuing operations.
- (vii) There are no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.
- (viii) **Material changes to the Company's Statement of Financial Position as of March 31, 2026 compared to March 31, 2025 (increased/decrease of 5% or more)**

*Cash* increased by ₱676.294 million or 437.53% from ₱154.572 million as of March 31, 2025 to ₱830.866 million as of March 31, 2026 due to the cash flows used in Company's operating activities and investing activities.

*Receivables* increased by ₱224.823 million or 32.56% from ₱690.497 million as of March 31, 2025 to ₱915.320 million as of March 31, 2026 due to the booking of PCPI rental and JV revenue shares.

*Inventories* - decreased by ₱0.585 million or 21.02% from ₱2.782 million as of March 31, 2025 to ₱2.197 million as of March 31, 2026 due mainly to the decrease in fuel and oil, materials and medical supplies.

*Other Current Assets - increased by ₦6.875 million or 11.20% from ₦61.389 million as of March 31, 2025 to ₦68.264 million as of March 31, 2026 due to the increases in Prepaid Registration, Prepaid Insurance and Withholding Tax at source.*

*Investment Property - increased by ₦11.482 billion or 21.06% from ₦54.517 billion as of March 31, 2025 to ₦65.999 billion as of March 31, 2026 due to gain in fair value of investment property.*

*Property and Equipment - increased by ₦1.056 billion or 45.88% from ₦2.301 billion as of March 31, 2025 to ₦3.356 million as of March 31, 2026 due to the acquisition of one (1) service vehicle.*

*Intangible Asset - increased by ₦0.089 million or 25.00% from ₦0.357 million as of March 31, 2025 to ₦0.446 million as of March 31, 2026 representing 10% retention of the Accounting Software.*

*Financial Liabilities – Accounts Payable increased by ₦4.600 million or 22.67% from ₦20.286 million as of March 31, 2025 to ₦24.886 million as of March 31, 2026 due to increase on unpaid accounts to suppliers of goods and services that are normally settled within twelve (12) months from the reporting period.*

*Deferred credits/Unearned Revenue/Income - increased by ₦20.424 million or 38.88% from ₦52.527 million as of March 31, 2025 to ₦72.951 million as of March 31, 2026 mainly due to the increase in other deferred credits.*

**Material changes to the Company's Statement of Income for the quarter ended March 31, 2026 compared to the quarter ended March 31, 2025 (increase/decrease of 5% or more)**

*Service and Business Income increased by 8.18% or ₦19.121 million from ₦233.717 million as of March 31, 2025 to ₦252.838 million as of March 31, 2026 due to higher JV shares and Rental Income.*

*Other Non-operating Income decreased by 34.19% or ₦520 from ₦1,520 as of March 31, 2025 to ₦1,000 as of March 31, 2026 due to higher bid deposit in 2025.*

*General and Administrative Expenses increased by 18.48% or ₦18.230 million from ₦98.670 million for the quarter ended March 31, 2025 to ₦116.900 million for the quarter ended March 31, 2026 due to the increases in Personnel Cost brought about by the implementation of CPCS II and higher MOOE due to increases in Travelling, Training, Supplies, Utility, Communication, Professional Services, Security Services , Repairs and Maintenance, Taxes and Other MOOE.*

*Income Tax increased by 19.04% or ₦4.134 million from ₦21.705 million as of March 31, 2025 to ₦25.838 million as of March 31, 2026 mainly due to the increase in Revenue in 2026.*

*Comprehensive Income - decreased by 2.86% or ₦3.243 million from ₦113.344 million for the quarter ended March 31, 2025 to ₦110.101 million for the quarter ended March 31, 2026 due to the reasons discussed above.*