



SECURITIES AND EXCHANGE COMMISSION

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The following document has been received:

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Company Information

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Company Type: Stock Corporation

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SEC Registration Number

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(Company's Full Name)

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

Johnson A. Sanhi Jr.

(Contact Person)

8818-8892

(Company Telephone Number)

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Month Day
(Fiscal Year)

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Month Day
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Amended Articles Number/Section

20

Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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COAL ASIA HOLDINGS INCORPORATED

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. Commission identification number **CS201210314**
3. BIR TIN: **008-297-271-000**
4. Exact name of issuer as specified in its charter **COAL ASIA HOLDINGS INCORPORATED**
5. Province, country or other jurisdiction of incorporation or organization. **Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office Postal Code: **1230**
3RD Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City
8. Issuer's telephone number, including area code **(02)8813-8992**
9. Former name, former address and former fiscal year, if changed since last report **N.A.**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	40,000,000,040

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

Yes ☒ No ☐

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

Philippine Stock Exchange – Common Shares

12. Indicate by check mark whether the registrant:

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

Yes ☒ No ☐

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

Yes ☒ No ☐

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COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2026
(With Comparative Audited Figures as at December 31, 2025)

	Note	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS			
Current Assets			
Cash	5	₱163,299	₱1,282,156
Advances to related parties	14	–	2,050,940
Assets of disposal group classified as held for sale	8	108,474,804	–
Total Current Assets		108,638,103	3,333,096
Noncurrent Assets			
Coal reserves and exploration and evaluation asset	4	–	899,461,326
Property and equipment	7	–	22,739,580
Restricted cash	6	–	1,089,465
Total Noncurrent Assets		–	923,290,371
		₱108,638,103	₱926,623,467
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	9	₱1,976,750	₱12,890,289
Advances from stockholders	14	38,847,638	87,396,031
Liabilities of disposal group classified as held for sale	8	62,874,804	–
Total Current Liabilities		103,699,192	100,286,320
Noncurrent Liabilities			
Retirement benefits liability	12	–	602,790
Net deferred tax liability	15	–	1,164,205
Total Noncurrent Liabilities		–	1,766,995
Total Liabilities		103,699,192	102,053,315
Equity			
Capital stock	13	4,000,000,004	4,000,000,004
Deficit		(3,998,390,015)	(3,178,758,774)
Cumulative remeasurement gain on retirement benefits liability, net of deferred tax	12	3,328,922	3,328,922
Total Equity		4,938,911	824,570,152
		₱108,638,103	₱926,623,467

See accompanying Notes to Interim Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Three Months Ended March31	
		2026	2025
	Note	(Unaudited)	(Unaudited)
CONTINUING OPERATIONS			
General and administrative expenses	10	(P360,083)	(P757,400)
Interest income	5	110	237
LOSS FROM CONTINUING OPERATIONS		(359,973)	(757,163)
DISCONTINUED OPERATIONS			
Loss from discontinued operations after tax	8	(819,271,268)	(4,473,906)
NET LOSS		(819,631,241)	(5,231,069)
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE LOSS		(P819,631,241)	(P5,231,069)
BASIC AND DILUTED LOSS PER SHARE			
	18		
From continuing operations		(P0.000)	(P0.000)
From discontinued operations		(0.021)	(0.000)
		(P0.021)	(P0.000)

See accompanying Notes to Interim Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Three Months Ended March31			
	Note	2026 (Unaudited)	2025 (Unaudited)
CAPITAL STOCK	13	₱4,000,000,004	₱4,000,000,004
DEFICIT			
Balance at beginning of period		(3,178,758,774)	(1,766,267,935)
Net loss		(819,631,241)	(5,231,069)
Balance at end of period		(3,998,390,015)	(1,771,499,004)
CUMULATIVE REMEASUREMENT GAIN ON RETIREMENT BENEFITS LIABILITY, NET OF DEFERRED TAX	12	3,328,922	3,328,922
		₱4,938,911	₱2,231,829,922

See accompanying Notes to Interim Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

		Three Months Ended March31	
	Note	2026 (Unaudited)	2025 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss from continuing operations before income tax		(P359,973)	(P757,163)
Loss from discontinued operations before income tax	8	(819,287,307)	(4,473,906)
Loss before income tax		(819,647,280)	(5,231,069)
Adjustments for:			
Provision for impairment loss on coal reserves and exploration and evaluation asset	8	817,907,289	–
Retirement benefits cost	12	64,155	–
Provision for probable loss on input value-added tax (VAT)	6	32,400	–
Interest income	5	(331)	(430)
Depreciation and amortization	7	–	3,901,399
Operating loss before working capital changes		(1,643,767)	(1,330,100)
Increase in other current assets		(32,400)	(33,600)
Decrease in trade and other payables		(82,239)	(81,688)
Net cash used for operations		(1,758,406)	(1,445,388)
Interest received		331	430
Net cash flows used in operating activities		(1,758,075)	(1,444,958)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	7	–	(4,496,555)
Increase in advances to related parties		–	(11,712)
Cash used in investing activities		–	(4,508,267)
CASH FLOW FROM A FINANCING ACTIVITY			
Additional advances from stockholders	14	1,680,000	5,896,555
NET DECREASE IN CASH		(78,075)	(56,670)
CASH AT BEGINNING OF PERIOD		1,282,156	790,316
CASH AT END OF PERIOD		P1,204,081	P733,646
COMPONENTS OF CASH			
Cash on hand		P–	P15,000
Cash in banks		163,299	718,646
Cash classified as asset held for sale		1,040,782	–
		P1,204,081	P733,646

See accompanying Notes to Interim Consolidated Financial Statements.

COAL ASIA HOLDINGS INCORPORATED AND A SUBSIDIARY
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2026 AND FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(With Comparative Audited Figures as at December 31, 2025)

1. Corporate Information

General Information

Coal Asia Holdings Incorporated (the Parent Company or CAHI) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 11, 2012. The Parent Company was organized primarily as a holding company.

Titan Mining and Energy Corporation (the Subsidiary or TMEC) is a wholly-owned subsidiary incorporated and registered with the SEC on November 11, 2008. TMEC is engaged in the operations of coal mining and energy related business.

The Parent Company and TMEC are collectively referred to as “the Group”.

On October 23, 2012, the Parent Company became a publicly-listed company. As at December 31, 2025, 40,000,000,040 and 4,000,000,004 common shares of the Parent Company at ₱0.10 and ₱1.00 par value, respectively, are listed in the Philippine Stock Exchange (PSE). Of those shares, 28.31% are publicly-owned as at March 31, 2026 and December 31, 2025.

The registered office address of the Group is at 3rd Floor, JTKC Center, 2155 Don Chino Roces Avenue, Makati City.

Amendments of Articles of Incorporation

On February 11, 2026 and December 22, 2025, the stockholders and BOD of the Parent Company, respectively, approved the amendment of its articles of incorporation, for the following:

- Change in corporate name from Coal Asia Holdings Incorporated to Tubig Pilipinas Holdings Inc.
- Change in primary purpose to reflect that its main business is to hold interests or equity in companies engaged in water distribution, bulk water supply, septage, sewage, and related activities.
- Increase in the authorized capital stock from 50,000.0 million to 130,000.0 million shares with par value remaining at ₱0.10 per share (see Note 13).

On June 25, 2026, the amended articles of incorporation were approved by the SEC.

Share Purchase Agreement

On September 26, 2025, the stockholders of the Parent Company who collectively own 28,671,400,000 common shares representing 71.68% of the total outstanding capital stock entered into a Share Purchase Agreement with Pure Energy Holdings Corporation, Pure Water Corporation (Pure), and Quad Water Corporation (Quad) at ₱0.0077 per share. The shares were acquired by the investors in varying proportions, with none of the investors individually obtaining control of the Parent Company.

Plans on Share Issuance through Share Swap Agreement and Divestment in TMEC

The stockholders and the BOD of the Parent Company approved on February 11, 2026 and December 22, 2025, respectively, the plan to issue new shares out of the increase in authorized capital stock to Pure and Quad in exchange for their equity in Tubig Pilipinas Group, Inc. (TPGI). The agreement involves exchange of 100% of the outstanding capital stock of TPGI.

On the same dates, the stockholders and the BOD of the Parent Company approved the plan to divest in TMEC.

The share swap agreement was entered into by the parties on March 2, 2026. The related share issuance are to be done after June 25, 2026, the date of the approval by the SEC of the amended articles of incorporation.

Status of Operations

As at December 31, 2025, the Group has two Coal Operating Contracts (COCs) located in Davao Oriental (COC No. 159) and Zamboanga Sibugay (COC No. 166).

On January 22, 2025, the Department of Energy (DOE) issued a notice of term expiration of COC No. 166 stating that TMEC failed to submit the complete requirements for conversion of COC No. 166 from Exploration Phase to Development and Production Phase. Accordingly, in accordance with the expressed provision of Presidential Decree No. 972, the term of COC No. 166 has lapsed, and TMEC was directed to immediately vacate the contract area and restore all sites that may have been affected by any coal operations. The Group appealed on February 18, 2025, for reconsideration with the DOE and, as at report date, is awaiting the DOE's response.

The Group has already received from the DOE the approval of the conversion of COC No. 159 to Development and Production Phase, subject to obtaining the Certificate of Precondition (CP) (for Development and Production Phase) or Certificate of Non-Overlap (CNO) from the National Commission on Indigenous People (NCIP). The Group has been compliant with the requirements of the DOE and is confident that it will obtain the necessary approval from the NCIP.

On March 3, 2026, TMEC received a certification from the DOE affirming that COC No. 159 remains valid.

On July 1, 2026, the Parent Company executed a Share Purchase Agreement to sell all its common shares in TMEC to South Eastern Energy Corporation (SEEC) for a total consideration of ₱45.6 million (see Note 8).

Approval of Interim Consolidated Financial Statements

The interim consolidated financial statements of the Group as at March 31, 2026 and for the three months ended March 31, 2026 and 2025, were reviewed and recommended for approval by the Audit Committee and approved and authorized for issuance by the BOD on 05 August 2026.

2. Summary of Material Accounting Policy Information

Basis of Preparation

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

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

Measurement Bases

The interim consolidated financial statements are presented in Philippine Peso, which is the Group's functional currency. All values represent absolute amounts, unless otherwise indicated.

The interim consolidated financial statements have been prepared on a historical cost basis, except for the disposal group held for sale, which is measured at the lower of carrying amount and fair value less costs to sell, and retirement benefits liability, which is measured at the present value of defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset and the fair value of the consideration received in exchange for incurring a liability.

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the interim consolidated 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 interim consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions used in measuring fair value is disclosed in Notes 8 and 17 to the interim consolidated financial statements.

Adoption of Amendments to PFRS Accounting Standards

The adoption of the amendments to PFRS Accounting Standards effective for annual reporting periods beginning January 1, 2026 did not materially affect the interim consolidated financial statements of the Group. Additional disclosures were included in the interim consolidated financial statements, as applicable.

New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at March 31, 2026 and have not been applied in preparing the interim consolidated financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2027 -

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out requirements for the presentation and disclosure of information in general purpose financial statements. The standard introduces new categories and sub-totals in the statements of comprehensive income, additional disclosures on management-defined performance measures, and enhanced requirements for grouping information. Full retrospective application is required. Earlier application is permitted

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

Basis of Consolidation

The interim consolidated financial statements include the accounts of the wholly-owned subsidiary and the Parent Company.

Subsidiary. Subsidiary is an entity controlled by the Parent Company. The interim consolidated financial statements include the accounts of the Parent Company and its subsidiary, TMEC. The Parent Company has control when it is exposed, or has rights, to variable returns from its involvement with the investee and it has the ability to affect those returns through its powers over the investee.

A subsidiary is consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continues to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Transactions Eliminated on Consolidation. All intra-group balances, transactions, income and expenses and unrealized gains and losses are eliminated in full.

Accounting Policies of a Subsidiary. The interim consolidated financial statements of the subsidiary are prepared for the same reporting period using uniform accounting policies as that of the Parent Company.

Financial Assets and Liabilities

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

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

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

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

As at March 31, 2026 and December 31, 2025, the Group does not have financial assets and liabilities at FVPL and financial assets at FVOCI.

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

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

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

As at March 31, 2026 and December 31, 2025, the Group's cash, assets of disposal group classified as held for sale (excluding coal reserves and exploration and evaluation asset and property and equipment) are classified under this category.

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

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

As at March 31, 2026 and December 31, 2025, the Group has classified its trade and other payables (excluding statutory payables), advances from stockholders and liabilities of disposal group classified as held for sale (excluding retirement benefits liability and net deferred tax liability) under this category.

Reclassification

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

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

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

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

Impairment of Financial Assets at Amortized Cost

The Group records an allowance for impairment losses on its financial assets measured at amortized cost based on expected credit loss (ECL).

ECL is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures ECL at an amount equivalent to the 12-month ECL for financial assets at amortized cost on which credit risk has not increased significantly since initial recognition and for debt instruments that are determined to have low credit risk at the reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. ECL for credit-impaired financial assets is based on the difference between the gross carrying amount and present value of estimated future cash flows.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

Derecognition of Financial Assets and Liabilities

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

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or,
- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Offsetting of Financial Assets and Liabilities

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

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

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

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

Input VAT

Input VAT represents tax imposed on the Group by its suppliers for the acquisition of goods and services required under Philippine taxation laws and regulations. Input VAT is recognized as an asset and will be used to offset the Group's output VAT liability.

Coal Reserves and Exploration and Evaluation Asset

Coal reserves are proven and probable coal reserves, which are defined as the estimated quantities of coal which geological data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Coal reserves are carried at historical cost less impairment losses, if any. Coal reserves are amortized upon the commencement of production on a unit of production basis, which is the ratio of coal production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period. Costs used in the unit of production calculation comprise the net book value of capitalized costs plus the estimated future development costs. Changes in the estimates of coal reserves or future development costs are accounted for prospectively. Exploration and evaluation asset is carried at cost less accumulated impairment losses.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the coal resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and,
- Evaluating the technical feasibility and commercial viability of extracting the coal resource.

Exploration and evaluation expenditures are recognized as an asset when future economic benefit is more likely than not to be realized. These costs include materials and fuels used, surveying costs, drilling costs and payments made to contractors. The Group capitalizes any further evaluation costs incurred to exploration and evaluation asset up to the point when a commercial reserve is established. Capitalized exploration and evaluation asset is considered as tangible assets.

Exploration and evaluation asset is transferred to mine development costs account in the interim consolidated statements of financial position when the technical feasibility and commercial viability of extracting the coal reserve are demonstrable. Exploration and evaluation asset is assessed for impairment before these are reclassified. Any impairment loss is recognized in profit or loss.

No amortization is charged during the exploration and evaluation phase.

Property and Equipment

Property and equipment, except for land, are carried at cost less accumulated depreciation and amortization and any impairment losses. Land is carried at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts such as property and equipment when the asset recognition criteria are met and the present value of the estimated cost of dismantling and removing the asset and restoring the site where the asset is located.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to current operations. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization are calculated on the straight-line basis over the estimated useful lives of the property and equipment as shown below:

	Number of Years
Land improvements	10
Drilling equipment	10
Laboratory and camp buildings	10
Survey equipment and machinery	3
Laboratory and testing equipment	5
Transportation equipment	5
Office furniture and equipment	3

The assets' estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

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

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

Impairment of Nonfinancial Assets

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

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

Coal Reserves and Exploration and Evaluation Asset. Coal reserves and exploration and evaluation asset is assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. One or more of the following facts and circumstances indicate that the assets require impairment test.

- a. The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- b. substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned;
- c. exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area and;
- d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Disposal Group Held for Sale

A disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable. Immediately before classification as held for sale, the assets and liabilities included in the disposal group are measured based on their respective accounting policies. The disposal group is subsequently measured at the lower of its carrying amount and fair value less costs to sell. Any resulting impairment loss is allocated to the qualifying noncurrent assets of the disposal group.

The assets of a disposal group classified as held for sale are presented separately from other assets in the interim consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the interim consolidated statement of financial position. These assets and liabilities shall not be offset and presented as a single amount.

Capital Stock

Capital stock is measured at par value for all shares issued and paid.

Deficit

Deficit represents the cumulative balance of net losses.

Cumulative Remeasurement Gain on Retirement Benefits Liability, Net of Deferred Tax

This pertains to cumulative actuarial gains and losses on the Group's retirement benefits liability arising from experience adjustments and changes in financial assumptions. These are recognized immediately in OCI and are included in equity and these are not reclassified to profit or loss in subsequent periods.

Discontinued Operations

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

The disposal group is excluded from the results of continuing operations and is presented as a single amount as “Loss from discontinued operations after tax” in the interim consolidated statement of comprehensive income.

Interest Income

Interest income is recognized as the interest accrues taking into account the effective yield on the asset, net of final tax.

Expense Recognition

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

General and Administrative Expenses. General and administrative expenses constitute cost of administering the business. These are expensed as incurred.

Employee Benefits

Short-term Benefits. The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Cost. The retirement benefits cost is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees’ projected salaries.

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

Remeasurement comprising actuarial gains and losses is recognized immediately in OCI in the period in which they arise. Remeasurement is not reclassified to profit or loss in subsequent periods.

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

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

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused net operating loss carryover (NOLCO) and tax credits from the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax losses can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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 asset to be utilized. Any such reductions are reassessed at each reporting date and are reversed to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

Related Party Relationships and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

Related party transactions are transfers of resources, services, or obligations between the Group and its related parties.

Stock Split

The Group accounts for stock splits as a reclassification within equity. In a stock split, the number of issued and outstanding shares is increased proportionately without a corresponding change in the total share capital. Accordingly, the par value per share is reduced, and the total par value of all shares remains unchanged.

For purposes of presenting basic and diluted loss per share, the number of shares outstanding is adjusted retrospectively as if the stock split had occurred at the beginning of the earliest period presented.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the net loss for the period attributable to equity holders of the Group by the weighted average number of issued and outstanding and subscribed common shares during the period, with retroactive adjustment for any stock dividends declared. Diluted loss per share is computed in the same manner, adjusted for the effects of convertible securities.

The Group has no dilutive instruments.

Segment Reporting

Operating segments are components of the Group: (a) that engage in business activities from which they may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

For purposes of segment reporting, the Group's only operating segment is related to coal mining operations (see Note 4).

Provisions and Contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

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

Events after the Reporting Date

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

3. Material Judgment, Accounting Estimates and Assumptions

The preparation of the Group's interim consolidated financial statements in compliance with PFRS Accounting Standards requires management to exercise judgment, make accounting estimates and assumptions that affect amounts reported in the interim consolidated financial statements and related notes. Judgment and accounting 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 circumstances. Actual results may ultimately differ from these accounting estimates.

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

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

The following are the significant judgment, accounting estimates and assumptions made by the Group:

Assessing Going Concern. As discussed in Note 1 to the interim consolidated financial statements, the Parent Company's stockholders and BOD approved the amendment of its articles of incorporation, planned share issuance in exchange for 100% ownership in TPGL, and the divestment in TMEC. These plans align with the long-term strategic objective to focus its expansion on water utility operations.

In view of these plans, management believes that the Group will be able to continue as a going concern. Accordingly, the interim consolidated financial statements have been prepared on a going concern basis.

Assessing ECL on Financial Assets at Amortized Cost. The Group determines the allowance for ECL using general approach based on probability-weighted estimate of the present value of all cash shortfalls over the expected life of the financial assets at amortized cost. ECL are provided for credit losses that result to possible default events within 12-months unless there has been a significant increase in credit risk since initial recognition, in which case ECL are provided based on lifetime expected credit loss.

No provision for ECL was recognized on financial assets at amortized cost for the three months ended March 31, 2026 and 2025.

The carrying amounts of financial assets at amortized cost as at March 31, 2026 and December 31, 2025 are disclosed in Notes 5, 6 and 14 to the interim consolidated financial statements.

Estimating the Coal Reserves. The Group estimates its coal reserves based on information compiled by competent persons on geological and technical data on the size, depth, shape and grade of the mineral body and suitable production techniques and recovery rates. The analysis requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of commodity prices, foreign exchange rates, future capital requirements, discount rate, and production costs along with geological assumptions and judgments made in estimating the size and grade of the mineral body.

Management assumes conservative forecasted sales prices, based on current and long-term historical average price trends. Conservative forecasted sales price assumptions generally result in lower estimates of reserves.

As the economic assumptions used may change and as additional geological information is obtained during the exploration and evaluation of the mine properties, estimates of reserves may change.

The amount of coal reserves as at March 31, 2026 and December 31, 2025, and the related provision for impairment on coal reserves for the three months ended March 31, 2026 and 2025 are disclosed in Note 4 to the interim consolidated financial statements.

Determining the Amount to be Capitalized as Exploration and Evaluation Asset. The capitalization of exploration and evaluation expenditures requires judgment in determining whether there are future economic benefits from future exploitation or sale of coal reserves. Capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

The amount of exploration and evaluation asset as at March 31, 2026 and December 31, 2025 and the related provision for impairment on exploration and evaluation asset for the three months ended March 31, 2026 and 2025 are disclosed in Note 4 to the interim consolidated financial statements.

Estimating the Useful Lives of Property and Equipment. The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment are based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

Based on management's assessment, there is no change in the estimated useful lives of property and equipment in as at March 31, 2026 and December 31, 2025.

The carrying amounts of depreciable property and equipment as at March 31, 2026 and December 31, 2025 are disclosed in Note 7 to the interim consolidated financial statements.

Assessing the Impairment of Other Nonfinancial Assets. The Group assesses impairment on other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends;
- Significant changes or planned changes in the use of the assets;
- Significant changes in the estimation of coal reserves;
- Expiration of the right to explore the areas;
- Significant unbudgeted or unplanned expenditures for exploration and evaluation; and,
- Management's decision to discontinue activities in specific areas.

Further, for coal reserves and exploration and evaluation asset, one or more of the following facts and circumstances indicate that the asset requires impairment test:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of coal reserves in the specific area is neither budgeted nor planned;
- exploration for and evaluation of coal reserves in the specific area have not led to the discovery of commercially viable qualities of coal reserves and the entity has decided to discontinue such activities in the specific area and;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

Recoverable amount of an asset is higher of its fair value less costs to sell or value in use. Value in use is determined as the present value of estimated future cash flows expected to be generated from the Group's expected mining operations. The estimated cash flows are discounted using pre-tax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

Impairment loss recognized on coal reserves and exploration and evaluation asset is disclosed in Note 8 to the interim consolidated financial statements.

The corresponding carrying amounts as at March 31, 2026 and December 31, 2025 are disclosed in Notes 4, 7 and 8 to the interim consolidated financial statements. The other nonfinancial assets of the Group include input VAT and property and equipment. The corresponding carrying amounts as at March 31, 2026 and December 31, 2025 are disclosed in Notes 6 and 7 to the interim consolidated financial statements.

Classifying Assets and Liabilities as Held for Sale. The Group applied material judgment in assessing whether the assets and liabilities of TMEC met the criteria for classification as a disposal group held for sale. Management considered the commitment to the divestment plan, progress of the transaction, and the probability of completing the sale within one year from the classification date. Based on these factors, management concluded that the disposal group met the requirements for classification as held for sale.

The carrying amounts of the assets and liabilities classified as held for sale as at March 31, 2026 are disclosed in Note 8 to the interim consolidated financial statements.

Determining the Retirement Benefits Cost. The determination of the retirement benefits liability and cost requires the use of actuarial assumptions, including the discount rate and salary increase rate. These assumptions are disclosed in Note 12 to the interim consolidated financial statements. Changes in these assumptions and differences between actual experience and the assumptions used may affect the measurement of the retirement benefits liability. Remeasurements arising from changes in actuarial assumptions and experience adjustments are recognized immediately in other comprehensive income in the period in which they arise and are not reclassified to profit or loss in subsequent periods.

Retirement benefits cost and carrying amount of retirement benefits liability as at March 31, 2026 and December 31, 2025 are disclosed in Note 12 to the interim consolidated financial statements.

Recognizing Deferred Tax Assets. The Group reviews the carrying amounts of deferred tax assets 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.

The amounts of recognized and unrecognized deferred tax assets as at March 31, 2026 and December 31, 2025 are disclosed in Note 15 to the interim consolidated financial statements. The Group did not recognize a portion of the deferred tax assets as management has assessed that the Group may not be able to utilize these deductible temporary differences against future taxable income.

4. Coal Reserves and Exploration and Evaluation Asset

The balances and movements of this account are as follows:

	March 31, 2026 (Unaudited)		
	COC No. 159	COC No. 166	Total
Coal Reserves			
Balance at beginning of period	₱1,705,785,888	₱1,425,810,213	₱3,131,596,101
Reclassification (see Note 8)	(1,705,785,888)	(1,425,810,213)	(3,131,596,101)
Balance at end of period	—	—	—
Exploration and Evaluation Asset			
Balance at beginning of period	580,645,506	56,580,572	637,226,078
Reclassification (see Note 8)	(580,645,506)	(56,580,572)	(637,226,078)
Balance at end of period	—	—	—
Allowance for Impairment Loss			
Balance at beginning of period	1,386,970,068	1,482,390,785	2,869,360,853
Reclassification (see Note 8)	(1,386,970,068)	(1,482,390,785)	(2,869,360,853)
Balance at end of period	—	—	—
Carrying Amount	₱—	₱—	₱—

	December 31, 2025 (Audited)		
	COC No. 159	COC No. 166	Total
Coal Reserves			
Balance at beginning and end of year	₱1,705,785,888	₱1,425,810,213	₱3,131,596,101
Exploration and Evaluation Asset			
Balance at beginning and end of year	580,645,506	56,580,572	637,226,078
Balance at end of year	2,286,431,394	1,482,390,785	3,768,822,179
Allowance for Impairment Loss			
Balance at beginning of year	—	1,482,390,785	1,482,390,785
Provision for impairment loss	1,386,970,068	—	1,386,970,068
Balance at end of year	1,386,970,068	1,482,390,785	2,869,360,853
Carrying Amount	₱899,461,326	₱—	₱899,461,326

The Parent Company acquired TMEC in 2012 (see Note 1) in exchange for the Parent Company's common shares valued at ₱3,200.0 million. Of the total consideration, the Parent Company allocated ₱3,131.6 million as coal reserves.

In 2012, the Group obtained an independent valuation report to estimate the value of TMEC's coal reserves in accordance with the PSE Guidelines for Fairness Opinions and Valuation Reports. The valuation was determined using the discounted cash flow approach based on assumptions and information secured from the Competent Persons Reports on the Davao Oriental and Zamboanga Sibugay Projects and available market information.

Exploration and evaluation asset are costs incurred on the mining properties situated in the provinces of Davao Oriental and Zamboanga Sibugay, Philippines.

COC Nos. 159 and 166 provide a minimum work expenditure on obligations covered by the work program at the exploration phase. The recovery of these costs depends on the conversion of the COCs to development and production phase.

Impairment Assessment on Coal Reserves and Exploration and Evaluation Asset

The Group carried out a review of the recoverable amount of its coal reserves and exploration and evaluation asset due to the delays in obtaining the necessary approval of its COCs from the government which has significantly reduced the Group's operating funds and resulted in continuing net losses. The recoverable amount was determined as the higher of fair value less costs to sell and value in use, with value in use resulting in a higher amount. Accordingly, the impairment test is based on value in use calculations using discounted cash flow approach. The key assumptions used to determine the value in use of the nonfinancial assets include the projected coal price, foreign exchange rate, discount rate and estimated volume of coal reserves. The discount rates used are 17% (which includes company-specific risk premium of 5% to account risks relating to delays in production, among others), in 2025.

The cash flow projections, which have a period of five years, are based on the most recent feasibility study approved by the senior management. The values assigned to each key assumption are estimated with reference to recent external market information and take 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.

In 2025, management assessed that the carrying amount of the coal reserves and exploration and evaluation asset related to COC No. 159 is impaired and recognized an impairment loss of ₱1,387.0 million. The recognition of the impairment loss is driven by the reduction in coal price, increase in foreign exchange rate and discount rate, and unplanned expenditures caused by the delays in the conversion of COCs and start of commercial operations.

Balances and movements in the allowance for impairment loss are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	₱2,869,360,853	₱1,482,390,785
Provision	—	1,386,970,068
Reclassification (see Note 8)	(2,869,360,853)	—
Balance at end of period	₱—	₱2,869,360,853

The recoverable amount as at December 31, 2025 is based on the discounted cash flow approach. The value in use is most sensitive to changes in the coal price, discount rate and projected revenue growth. A reasonably possible change in these assumptions, such as a decrease in coal price or an increase in the discount rate, would result in a further decrease in the recoverable amount of the cash-generating unit and may lead to additional impairment.

In 2026, the coal reserves and exploration and evaluation asset was classified as part of the disposal group held for sale. Upon classification, the disposal group was measured at the lower of its carrying amount and fair value less costs to sell, resulting in the recognition of an impairment loss amounting to ₱817.9 million (see Note 8).

The financial information arising from exploration and evaluation activities as at March 31, 2026, and December 31, 2025, and for the periods ended March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Total assets	₱305,963,364	₱305,911,467
Total liabilities	628,184,235	626,768,359
Expenses	1,380,239	328,345,009
Net cash used in operating activities	(1,348,103)	(4,328,190)
Cash used in investing activities	–	(1,853,533)
Cash provided by financing activities	1,400,000	6,800,000

Operating Segment

For management reporting purposes, the Group is organized based on its activities and has one operating segment which is the coal mining segment. This segment undertakes the exploration and evaluation activities of the coal reserves of the Group which is within the Group's country of domicile.

5. Cash

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Cash on hand	₱–	₱15,000
Cash in banks	163,299	1,267,156
	₱163,299	₱1,282,156

Cash in banks earn interest at the respective bank deposit rates and are immediately available for use in the current operations.

Interest income earned from continuing operations and discontinued operations for the periods ended March 31, 2026, and 2025 are as follows.

	Three Months Ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
Interest income from continuing operations		
Cash in banks	₱110	₱237
Interest income from discontinued operations:		
Cash in banks	221	193
	₱331	₱430

Cash amounting to ₱1,040,782 was presented as part of assets classified as held for sale as at March 31, 2026 (see Note 8).

6. Other Assets

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Current:		
Input VAT	₱3,043,025	₱3,010,625
Less allowance for probable loss	(3,043,025)	(3,010,625)
	₱—	₱—
Noncurrent -		
Restricted cash	₱—	₱1,089,465

The input VAT is fully provided with allowance for probable loss, as management has assessed that the Group may not be able to utilize its input VAT.

Movements in the allowance for probable loss are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	₱3,010,625	₱2,533,875
Provision	32,400	476,750
Balance at end of period	₱3,043,025	₱3,010,625

Restricted cash includes cash bond required pursuant to the application of the permit to proceed with the development phase for COC No. 159 and cash set aside to settle obligations arising from a court case.

Interest income earned from restricted cash for the periods ended March 31, 2026, and 2025 is disclosed in Note 5 to the interim consolidated financial statements.

Restricted cash amounting to ₱1,089,465 was presented as part of assets classified as held for sale as at March 31, 2026 (see Note 8).

7. Property and Equipment

The balances and movements of this account are as follows:

[illegible]

Depreciation and amortization charged as general and administrative expenses amounted to nil and ₱3.9 million for three months ended March 31, 2026 and 2025, respectively (see Note 8).

8. Disposal Group Held for Sale and Discontinued Operations

The assets and liabilities related to TMEC have been presented as held for sale, and the results of TMEC's operations have been classified as discontinued, following the approval by the stockholders and the Board of Directors of the Parent Company on February 11, 2026 and December 22, 2025, respectively, to divest TMEC. On July 1, 2026, the Parent Company executed a Share Purchase Agreement to sell all its common shares in TMEC to SEEC for a total consideration of ₱45.6 million.

TMEC's cash flows for the three months ended March 31, 2026 and 2025 are as follows:

	Three Months Ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
Operating cash flows	(₱1,348,103)	(₱609,584)
Investing cash flows	—	734,755
Financing cash flows	1,400,000	—
	₱51,897	₱125,171

As at March 31, 2026, the assets of disposal group classified as held for sale consist of the following:

	Note	(Unaudited)
Cash	5	₱1,040,782
Advances to related parties	14	2,050,940
Coal reserves and exploration and evaluation asset		81,554,037
Property and equipment	7	22,739,580
Restricted cash	6	1,089,465
		₱108,474,804

As at March 31, 2026, the liabilities of disposal group classified as held for sale consist of the following:

	Note	(Unaudited)
Trade and other payables	9	₱10,831,300
Advances from stockholders	14	50,228,393
Retirement benefits liability	12	666,945
Net deferred tax liability	15	1,148,166
		₱62,874,804

The net carrying amount of the disposal group was written down to its fair value less costs to sell of ₱45.6 million. The fair value was determined using the market approach, based on the negotiated consideration under the Share Purchase Agreement with SEEC, and was categorized within Level 3 of the fair value hierarchy.

Consequently, the Group recognized an impairment loss of ₱817.9 million in 2026, which was fully attributable to the coal reserves and exploration and evaluation asset.

The results of the discontinued operations is as follows:

		Three Months Ended March 31	
		2026	2025
	Note	(Unaudited)	(Unaudited)
General and administrative expenses		(P1,380,239)	(P4,474,099)
Interest income	5	221	193
Provision for impairment loss on coal reserves and exploration and evaluation asset		(817,907,289)	–
Loss before income tax		(819,287,307)	(4,473,906)
Benefit from deferred income tax	15	(16,039)	–
Net loss		(P819,271,268)	(P4,473,906)

Details of general and administrative expenses from discontinued operations are as follows:

		Three Months Ended March 31	
		2026	2025
	Note	(Unaudited)	(Unaudited)
Transportation and communication		P648,893	P7,297
Professional fees		350,000	100,000
Personnel costs	11	304,977	337,367
Taxes and licenses		47,451	118,651
Insurance		11,297	1,122
Depreciation and amortization	7	–	3,901,399
Repairs and maintenance		–	5,799
Others		17,621	2,464
		P1,380,239	P4,474,099

9. Trade and Other Payables

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Trade payables	P231,589	P10,074,495
Accrued expenses	1,745,161	2,790,147
Statutory payables	–	25,647
	P1,976,750	P12,890,289

Trade payables, which include amounts payable to the Group's suppliers, are noninterest-bearing and are due and demandable.

Accrued expenses pertain to accruals for administrative expenses which are expected to be settled within one year.

Statutory payables are normally settled in the following month.

Trade and other payables amounting to ₱10,831,300 was presented as part of liabilities classified as held for sale as at March 31, 2026 (see Note 8).

10. General and Administrative Expenses

This account consists of:

		Three Months Ended March 31	
	Note	2026 (Unaudited)	2025 (Unaudited)
Listing maintenance fee		₱250,000	₱—
Provision for probable loss on input VAT	6	32,400	—
Safekeeping fee		20,000	30,000
Taxes and licenses		16,970	514,492
Representation and entertainment		12,756	—
Filing fees and other charges		11,500	—
Personnel costs	11	—	150,000
Others		16,457	62,908
		₱360,083	₱757,400

11. Personnel Costs

This account consists of (see Notes 8 and 10):

		Three Months Ended March 31	
	Note	2026 (Unaudited)	2025 (Unaudited)
Salaries and other employees' benefits		₱240,822	₱487,367
Retirement benefits cost	12	64,155	—
		₱304,977	₱487,367

12. Retirement Benefits Liability

The Group has an unfunded, noncontributory defined benefit plan covering all qualified regular employees of TMEC. The benefits are based on years of service and compensation. The plan provides for a lump-sum benefit payment upon retirement which shall not be less than the minimum mandated retirement benefit plan under Republic Act (RA) No. 7641 Retirement Pay Law.

The components of retirement benefits cost are as follows (see Note 11):

		Three Months Ended March 31	
		2026 (Unaudited)	2025 (Unaudited)
Interest cost		₱41,960	₱—
Current service cost		22,195	—
		₱64,155	₱—

The changes in the present value of the retirement benefits liability are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	₱602,790	₱540,425
Interest cost	41,960	33,215
Current service cost	22,195	29,150
Reclassification (see Note 8)	(666,945)	–
Balance at end of period	₱–	₱602,790

Retirement benefits liability amounting to ₱666,945 was presented as part of liabilities classified as held for sale as at March 31, 2026 (see Note 8).

The cumulative remeasurement gain recognized as OCI as at March 31, 2026 and December 31, 2025, amounted to ₱3,328,922, net of deferred tax of ₱1,109,641.

The principal actuarial assumptions used to determine the retirement benefits cost as at March 31, 2026, are as follows:

Discount rate	6.96%
Salary increase rate	2.00%

Sensitivity analysis on retirement benefits liability as at March 31, 2026 is as follows:

	Change in Assumption	Effect on retirement benefits liability
Discount rate	(1.00%)	₱135,010
	1.00%	(111,328)
Salary increase rate	1.00%	140,743
	(1.00%)	(117,256)

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the retirement benefits liability at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged.

The weighted average duration of the retirement benefits liability is 19.63 years and 17.54 years as at March 31, 2026, and December 31, 2025, respectively.

13. Equity

Capital Stock

Details of the Parent Company's capital stock are as follows:

	Number of shares		Amount	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Authorized				
Balance at beginning of period	50,000,000,000	5,000,000,000	₱5,000,000,000	₱5,000,000,000
Increase arising from stock split (see Note 18)	—	45,000,000,000	—	—
Balance at end of period	50,000,000,000	50,000,000,000	₱5,000,000,000	₱5,000,000,000
Issued and outstanding				
Balance at beginning of period	40,000,000,040	4,000,000,004	₱4,000,000,004	₱4,000,000,004
Increase arising from stock split (see Note 18)	—	36,000,000,036	—	—
Balance at end of period	40,000,000,040	40,000,000,040	₱4,000,000,004	₱4,000,000,004

On February 18, 2025, the SEC approved the Parent Company's application to amend its articles of incorporation, increasing the number of authorized shares from 5,000.0 million to 50,000.0 million shares, with a corresponding decrease in the par value per share from ₱1.00 to ₱0.10 per share.

On February 11, 2026 and December 22, 2025, the stockholders and the BOD of the Parent Company, respectively, approved the increase in the number of authorized shares from 50,000.0 million to 130,000.0 million shares with a par value of ₱0.10 per share. On June 25, 2026, the increase in authorized capital stock was approved by the SEC.

14. Related Party Transactions

The transactions of the Group, in the normal course of business, with its related parties, and the outstanding balances from related parties arising from such transactions are as follows:

Nature of Transactions	Amount of Transactions		Outstanding Balances	
	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Advances to Related Parties				
Entities under common ownership	₱—	₱—	₱2,050,940	₱2,050,940
Advances for working capital Reclassification (see Note 8)			(2,050,940)	—
			₱—	₱2,050,940
Advances from Stockholders				
Stockholders	₱1,680,000	₱11,760,090	₱89,076,031	₱87,396,031
Advances for working capital Reclassification (see Note 8)			(50,228,393)	—
			₱38,847,638	₱87,396,031

Terms and Conditions

Advances to related parties and advances from stockholders are unsecured, noninterest-bearing, generally settled in cash, due on demand, and are not covered by any guarantees or collateral as at

March 31, 2026 and December 31, 2025. The Group assesses ECL on advances to related parties at each reporting date. No provision for ECL on advances to related parties was recognized for the periods ended March 31, 2026, and 2025.

Advances to related parties and advances from stockholders amounting to ₱2,050,940 and ₱50,228,393, respectively, were presented as part of disposal group classified as held for sale as at March 31, 2026 (see Note 8).

Office Space Arrangement

The Group uses office space owned by an entity under common stockholder at no cost.

Key Management Personnel Compensation

The compensation of key management personnel of the Group is as follows:

	Three Months Ended March 31	
	2026	2025
	(Unaudited)	(Unaudited)
Short-term employee benefits	₱—	₱300,000
Post-employment benefits	64,155	—
	₱64,155	₱300,000

Reconciliation of Liability Arising from a Financing Activity

The table below details the changes in the Group's liability arising from a financing activity as at March 31, 2026 and December 31, 2025, including both cash and non-cash changes:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Advances from stockholders		
Balance at beginning of period	₱87,396,031	₱75,635,941
Additions	1,680,000	11,760,090
Reclassification (see Note 8)	(50,228,393)	—
Balance at end of period	₱38,847,638	₱87,396,031

15. Income Taxes

TMEC is entitled to the following incentives under the COC:

- Exempt from all national taxes except for income tax; and
- Exempt from payment of tariff duties, compensating tax and VAT on importations of machinery and equipment, spare parts and materials required for the coal operations subject to terms and conditions in the COC.

Benefit from deferred income tax from discontinued operations amounted to ₱16,039 for the period ended March 31, 2026.

The Group's net deferred tax liability consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Deferred tax liability - Retirement benefits cost capitalized to exploration and evaluation asset	₱1,314,902	₱1,314,902
Deferred tax asset - Retirement benefits liability	(166,736)	(150,697)
Reclassification (see Note 8)	(1,148,166)	—
Net deferred tax liability	₱—	₱1,164,205

Net deferred tax liability amounting to ₱1,148,166 was classified as held for sale as at March 31, 2026 (see Note 8).

The Group's unrecognized deferred tax assets are as follows:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
From continuing operations:		
NOLCO	₱3,445,363	₱33,614,521
Allowance for impairment loss on coal reserves and exploration and evaluation asset	—	717,340,213
Excess MCIT over RCIT	—	11,250
From discontinued operations:		
Allowance for impairment loss on coal reserves and exploration and evaluation asset	921,817,036	—
NOLCO	30,574,036	—
Excess MCIT over RCIT	11,250	—
	₱955,847,685	₱750,965,984

These deferred tax assets were not recognized because management has assessed that it is not probable that sufficient future taxable income may be available against which these deferred tax assets can be utilized within the period allowed by the tax regulation.

As at March 31, 2026, details of the related NOLCO from the Parent Company are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiry Date
2026	₱—	₱303,427	₱—	₱303,427	2029
2025	4,982,747	—	—	4,982,747	2028
2024	1,929,639	—	—	1,929,639	2027
2023	2,380,550	—	—	2,380,550	2026
2021	4,185,088	—	—	4,185,088	2026
	₱13,478,024	₱303,427	₱—	₱13,781,451	

As mandated by Section 4 of Republic Act No. 11494 or the "Bayanihan to Recover as One Act" and implemented under Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

As at March 31, 2026, details of NOLCO from TMEC are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Expiry Date
2026	₱—	₱1,316,084	₱—	₱1,316,084	2031
2025	19,399,074	—	—	19,399,074	2030
2024	20,076,977	—	—	20,076,977	2029
2023	18,938,341	—	—	18,938,341	2028
2022	28,712,636	—	—	28,712,636	2027
2021	33,853,030	—	—	33,853,030	2026
	₱120,980,058	₱1,316,084	₱—	₱122,296,142	

Section 34 (D)(3) of the Tax Code grants mining companies other than oil and gas wells to carry over net operating loss incurred in any of the first ten years of operation as a deduction from taxable income for the next five consecutive years immediately following the year of loss.

TMEC incurred excess MCIT over RCIT amounting to ₱11,250 for the year ended December 31, 2023, which can be claimed as tax credit against RCIT due until December 31, 2026.

A reconciliation between the benefit from income tax at statutory income tax rate and the effective income tax rates is as follows:

	Three Months Ended March 31	
	2026	2025
	(Unaudited)	(Unaudited)
Benefit from income tax at statutory tax rate	(₱204,911,820)	(₱1,307,767)
Change in unrecognized deferred tax assets	204,881,701	1,307,874
Income tax effects of:		
Nondeductible expenses	14,164	—
Interest income already subjected to final tax	(84)	(107)
Benefit from income tax at effective tax rates		
(see Note 8)	(₱16,039)	₱—

Accordingly, the income tax rates used in preparing the interim consolidated financial statements as at March 31, 2026 and December 31, 2025 and for the three months ended March 31, 2026 and 2025, are 25% for RCIT and 2% for MCIT, respectively.

16. Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of financial assets and financial liabilities directly related to operations, specifically cash, assets of disposal group classified held for sale (excluding coal reserves and exploration and evaluation asset and land), trade and other payables (excluding statutory payables), advances from stockholders, and liabilities of disposal group classified as held for sale (excluding retirement benefits liability and net deferred tax liability).

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The BOD reviews and agrees on policies for managing each of these risks.

Credit risk

Credit risk is a risk due to an uncertainty in a counterparty's ability to meet its obligations. When a counterparty defaults, the maximum exposure is equal to the carrying amount of the related financial asset. The Group's credit risk arises principally from cash in banks, advances to related parties, and restricted cash.

The Group transacts mainly with recognized and creditworthy third parties as well as with related parties. In addition, the Group only deals with financial institutions duly evaluated and approved by the BOD.

The following tables summarize the credit quality of the Group's financial assets at amortized cost as at March 31, 2026 and December 31, 2025:

	March 31, 2026 (Unaudited)					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Credit impaired	Total
Financial assets at amortized cost:						
Cash in banks	₱163,299	₱—	₱—	₱—	₱—	₱163,299
Assets of disposal group classified as held for sale:						
Cash in banks	1,040,782	—	—	—	—	1,040,782
Advances to related parties	—	2,050,940	—	—	—	2,050,940
Restricted cash	1,089,465	—	—	—	—	1,089,465
	₱2,293,546	₱2,050,940	₱—	₱—	₱—	₱4,344,486

	December 31, 2025 (Audited)					
	Neither Past Due nor Impaired					
	High Grade	Standard Grade	Substandard Grade	Past Due but not Impaired	Credit impaired	Total
Financial assets at amortized cost:						
Cash in banks	₱1,267,156	₱—	₱—	₱—	₱—	₱1,267,156
Advances to related parties	—	2,050,940	—	—	—	2,050,940
Restricted cash	1,089,465	—	—	—	—	1,089,465
	₱2,356,621	₱2,050,940	₱—	₱—	₱—	₱4,407,561

The credit quality of the financial assets is managed by the Group using internal credit quality ratings. High grade accounts consist of financial assets from counterparties with good financial condition and with relatively low defaults. Financial assets having risks of default but are still collectible are considered as standard grade accounts. Financial assets that are still collectible but require persistent effort from the Group to collect are considered substandard grade accounts. Past due but not impaired are those with history of frequent default nevertheless the amount due are still collectible. Credit impaired are those that are long outstanding or those that have been provided with an allowance for impairment.

Cash in banks and restricted cash are considered high grade as these pertain to deposits and placements in reputable banks with prime ratings. The Group considers that these financial assets have low credit risk based on the external ratings of the counterparties.

Advances to related parties are considered as standard grade because the related parties are operating entities with sufficient liquid assets to repay but the receivables have been outstanding for a certain period of time.

The impairment of financial assets at amortized cost has been measured on 12-month ECL basis and reflects the short maturities of the exposures. The resulting ECL is not significant because the financial assets are subject to minimal risk of default.

Liquidity Risk

Liquidity risk arises from the Group's inability to raise sufficient funds at the least possible cost to meet its financial commitments. The Group's objectives in liquidity management are: (a) to ensure that adequate funds are available to meet expiring obligations; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access additional funding when needed at the least possible cost.

The table below summarizes the maturity profile of the financial liabilities at amortized cost of the Group based on the remaining contractual undiscounted cash flows as at March 31, 2026 and December 31, 2025:

	March 31, 2026 (Unaudited)			Total
	On Demand	Within 1 Year	Over 1 Year	
Trade and other payables*	₱231,589	₱1,745,161	₱—	₱1,976,750
Advances from stockholders	38,847,638	—	—	38,847,638
Liabilities of disposal group classified as held for sale**	61,059,693	—	—	61,059,693
	₱100,138,920	₱1,745,161	₱—	₱101,884,081

*Excluding statutory payables (see Note 9).

**Excluding retirement benefits liability and net deferred tax liability (see Note 8).

	December 31, 2025 (Audited)			Total
	On Demand	Within 1 Year	Over 1 Year	
Trade and other payables*	₱10,074,495	₱2,790,147	₱—	₱12,864,642
Advances from stockholders	87,396,031	—	—	87,396,031
	₱97,470,526	₱2,790,147	₱—	₱100,260,673

*Excluding statutory payables (see Note 9).

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains strong and healthy financial position to support its current business operations. The Group's overall strategy remains unchanged from the previous year.

The Group manages the capital structure and makes adjustments when there are changes in the economic conditions, its business activities, expansion programs and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust its borrowings or raise capital.

In determining reasonable leverage, the Group evaluates its cost of capital and manages its level of debt to maintain an optimal cost of capital based on current conditions. The Group considers its equity, excluding cumulative remeasurement gain on retirement benefits liability, net of deferred tax, as capital employed.

TMEC is subject to externally-imposed capital requirements applicable to applicants for exploration permits. The minimum paid-up capital is ₱6.3 million. TMEC has complied with the capital requirements during the reported financial periods and no changes were made to its capital base, objectives, policies and processes from the previous years.

17. Fair Value Measurement of Financial Instruments

As at March 31, 2026 and December 31, 2025, the Group has no financial instruments measured at fair value.

Due to the short-term nature of the Group's cash, assets of disposal group classified as held for sale (excluding coal reserves and exploration asset and property and equipment), trade and other payables (excluding statutory payables), advances from stockholders, and liabilities of disposal group classified as held for sale (excluding retirement benefits liability and net deferred tax liability), their carrying amounts approximate fair values as at March 31, 2026 and December 31, 2025.

Restricted Cash. The carrying amount of this financial instrument approximates its fair value.

Since the Group has no financial instruments measured at fair value, there were no transfers between levels of the fair value hierarchy as at March 31, 2026 and December 31, 2025.

18. Stock Split and Basic and Diluted Loss Per Share

On February 18, 2025, the Parent Company effected a 10-for-1 stock split of its shares by reducing the par value from ₱1.00 to ₱0.10 per share (see Note 13). As a result of the stock split, each issued share was converted into ten shares, thereby increasing the total number of issued and outstanding shares without a corresponding change in the Parent Company's share capital.

The weighted average number of shares outstanding and the basic and diluted loss per share have been retrospectively adjusted to reflect the stock split at the beginning of the earliest period presented.

Basic and diluted loss per share is computed as follows:

	Three Months Ended March 31	
	2026	2025
	(Unaudited)	(Unaudited)
Loss from continuing operations	(P359,973)	(P757,163)
Divided by weighted average number of common shares outstanding	40,000,000,040	40,000,000,040
Basic and diluted loss per share from continuing operations	(P0.000)	(P0.000)
Loss from discontinued operations	(P819,271,268)	(P4,473,906)
Divided by weighted average number of common shares outstanding	40,000,000,040	40,000,000,040
Basic and diluted loss per share from discontinued operations	(P0.021)	(P0.000)

Diluted loss per share is equal to the basic loss per share as the Group does not have any dilutive potential common shares at the end of each period.

The stock split has no effect on the Parent Company's total retained earnings, net income, or stockholders' equity.

MANAGEMENT'S DISCUSSION ON COAL'S FINANCIALS

Summary of Financial Information

The following table represents the summary of financial information for COAL from January 1 to March 31, 2026.

COAL's Summary Unaudited Consolidated Financial Information as at the end of this quarter	
Amounts are Php	
Consolidated Statement of Comprehensive Income	
Sales	—
Cost of Sales	—
Gross Profit	—
Operating Income	—
Income (loss) before income tax	(819,271,268)
Net Income (loss)	(819,271,268)
Consolidated Statement of Financial Position	
Assets	
Cash	163,299
Advances to Related Parties	—
Other Current Assets	—
Assets of Disposal Group Classified as Held for Sale	108,474,804
Total Current Assets	108,638,103
Coal Reserves and Exploration and Evaluation Asset	—
Property, Plant and Equipment	—
Restricted Cash	—
Total Non-Current Assets	—
TOTAL ASSETS	108,638,103
Liabilities and Equity	
Trade and Other Payables	1,976,750
Advances from Stockholders	38,847,638
Liabilities of Disposal Group Classified as Held for Sale	62,874,804
Total Current Liabilities	103,699,192
Retirement benefit liability	—
Net deferred tax liability	—
Total Non-Current Liability	—
Capital Stock	4,000,000,004
Deficit	(3,998,390,015)
Other Comprehensive Income	3,328,922
Stockholders' Equity	4,938,911
TOTAL LIABILITIES AND EQUITY	108,638,103
Key Indicators	
Gross Profit Margin (%)	—
Net Income (loss) Margin (%)	—
Return on Asset (%)	(7.54)
Return on Equity(%)	(165.88)
Current Ratio(x)	1.05:1.00
Total Liabilities to Equity (x)	21:1.00
Earnings Per Share (Basic) (Php 0.0000)	(00.00)
Book Value Per Share (Php 0.0000)	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

March 31, 2026 vs. March 31, 2025

General and Administrative Expenses

General and administrative expenses decreased by ₱0.39 million or 52% due to decrease in depreciation and other expenses during the period.

Operating Income and Operating Income Margin

Operating loss decreased by ₱0.39 million or 52% due to decrease on general and administrative expenses.

Interest Income

Interest income decreased by 54% due to decrease on balance of cash and cash equivalents.

Interest Expense

Interest expense is Nil since the Group has no existing loans payable.

Net Income and Net Income Margin

The net loss of the Group decreased by ₱0.39 million or 52%. This represents decrease on general and administrative expenses.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2026 vs. December 31, 2025

Cash and Cash Equivalents

Cash and cash equivalents decreased by ₱1.12 million or 87% from ₱1.28 million to ₱0.16 million due to collection from related parties of the Group.

Funds Held in Escrow

The balance of fund held in escrow of the group is Nil.

Prepayments and Other Current Assets

The prepayments and other current assets is Nil.

Exploration and Evaluation Assets

The exploration and evaluation assets of the group is Nil.

Property and Equipment

The property and equipment is Nil.

Liabilities

Total liabilities of the Group have minimal increase in trade and other payables.

Equity

Capital position of the Group went down by ₱819.63 million due to net loss and divestment for the period.

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
MARCH 31, 2026 AND DECEMBER 31, 2025

Ratio	Formula	March 31, 2026	December 31, 2025
Current ratio	Total Current Assets	108,638,103	3,333,096
	Divided by: Total Current Liabilities	103,699,192	100,286,320
	Current ratio	1.05:1	0.03:1
Acid test ratio	Total Current Assets	108,638,103	3,333,096
	Less: Other current assets	–	–
	Quick assets	108,638,103	3,333,096
	Divide by: Total Current Liabilities	103,699,192	100,286,320
	Acid test ratio	1.05:1	0.03:1
Solvency ratio	Net loss before depreciation	(819,271,268)	(4,473,906)
	Divide by: Total liabilities	103,699,192	102,053,315
	Solvency ratio	(7.90:1)	(0.04:1)
Debt-to-equity ratio	Total liabilities	103,699,192	102,053,315
	Divide by: Total equity	4,938,911	824,570,152
	Debt-to-equity ratio	21:1	0.12:1
Asset-to-equity ratio	Total assets	108,638,103	926,623,467
	Divide by: Total equity	4,938,911	824,570,152
	Asset-to-equity ratio	22:1	1.12:1
Return on equity	Net loss	(819,271,268)	(4,473,906)
	Divide by: Total equity	822,411,644	824,570,152
	Return on equity	(1.66%)	(0.00%)
Return on assets	Net loss	(819,271,268)	(4,473,906)
	Divide by: Total assets	927,062,507	926,623,467
	Return on asset	(0.07%)	(0.00%)

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE OF PROCEEDS FROM INITIAL OFFERING
MARCH 31, 2026

(i) GROSS AND NET PROCEEDS AS DISCLOSED IN THE FINAL PROSPECTUS

The estimated gross proceeds from the offer will amount to ₱800,000,000. The estimated net proceeds from the offer of the shares, after deducting the estimated related expenses to the offer, will amount to ₱726,868,750 and will accrue to the Group.

The following table shows the breakdown of the estimated offer proceeds:

Gross proceeds	₱800,000,000
Estimated expenses	73,131,250
Net proceeds	₱726,868,750

(ii) ACTUAL GROSS AND NET PROCEEDS

Gross proceeds	₱800,000,000
Actual expenses	51,790,085
Net proceeds	₱748,209,915

(iii) USE OF PROCEEDS

Working capital	₱126,868,750
Exploration work for Davao Oriental Project	581,796,367
Exploration work for Zamboanga Sibugay Project	52,283,378
	₱760,948,495

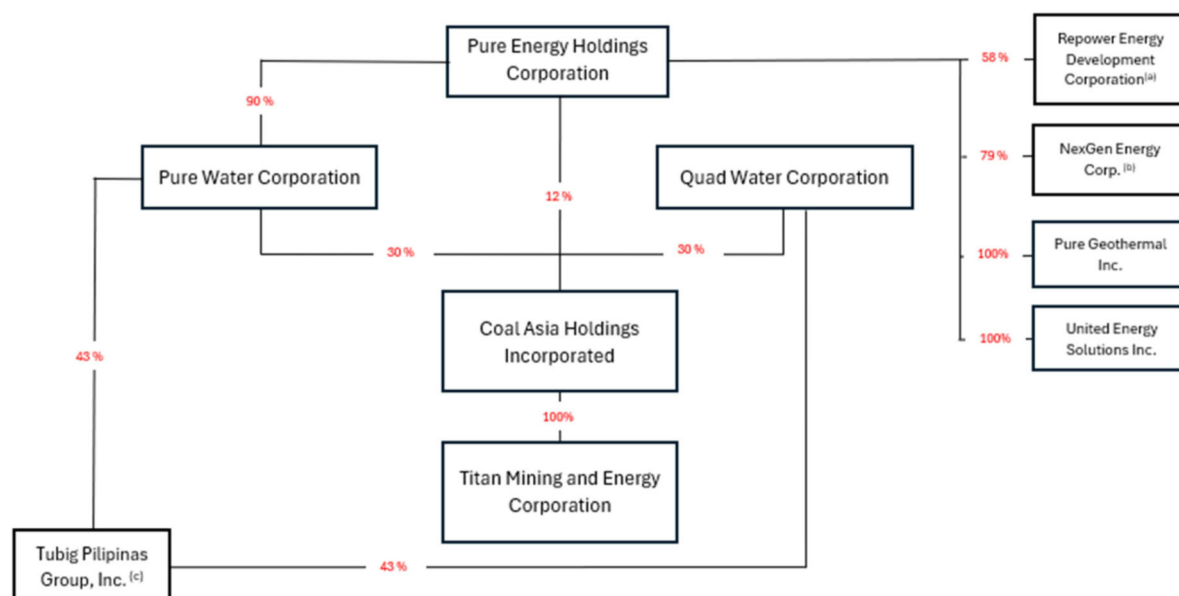
(iv) BALANCE OF PROCEEDS AS AT THE END OF THE REPORTING PERIOD

Net proceeds	₱748,209,915
Accumulated interest income	13,414,560
Disbursements	(761,624,475)
	₱ -

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

CONGLOMERATE MAP

MARCH 31, 2026



(a) Repower Energy Development Corporation's subsidiaries include Tibag Hydropower Corporation, Cabanglasan Hydropower Corporation, Bicol Hydropower Corporation, Baguio Asin Hydropower Corporation, Maramag Hydropower Corporation, Philippine Power and Development Corporation, Majayjay Hydropower Company Inc., Labayat 1 Hydropower Corporation, and Piapi Hydropower Corporation.

(b) NexGen Energy Corp.'s subsidiaries include Airstream Renewables Corp., Solar Powere Agri-Rural Communities Corporation, 5Hour Peak Energy Corp.

(c) Tubig Pilipinas Group, Inc.'s subsidiaries include Tubig Trece Martires Corp., Tubig Coron Inc., Tubig Nabua Inc., Tubig Catbalogan Corp., San Jose City (N.E.) Water Company Inc., Bacolod Bulk Water Inc., Tubig Echague Corp., ALV Tubig ng Mandaue Inc., Tubig Pilipinas Global Group Inc., and Tubig Cadiz Inc. The associates are Calbayog Water Company Inc., Princess Urduja Waterworks System Inc., and MTTP Water Corporation.

COAL ASIA HOLDINGS INCORPORATED

**SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION OF THE PARENT COMPANY**

MARCH 31, 2026

Deficit, beginning of year	(₱3,178,792,722)
Net loss closed to deficit	(819,631,241)
Deficit, as adjusted, end of year	(₱3,998,390,015)

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY
SEC Supplementary Schedule as Required by Part II of SRC Rule 68 as Amended
MARCH 31, 2026

Table of Contents

<u>Schedule</u>	<u>Description</u>	<u>Page</u>
A	Financial Assets	<u>N/A</u>
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>N/A</u>
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	<u>1</u>
D	Long-term Debt	<u>N/A</u>
E	Indebtedness to Related Parties	<u>N/A</u>
F	Guarantees of Securities of Other Issuers	<u>N/A</u>
G	Capital Stock	<u>2</u>

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

**C. Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of the Financial Statements
MARCH 31, 2026**

<i>Name and designation of debtor</i>	<i>Balance at beginnning of period</i>	<i>Additions</i>	<i>Deductions</i>		<i>Ending Balance</i>		<i>Balance at end of period</i>
			<i>Amounts collected</i>	<i>Amounts written off</i>	<i>Current</i>	<i>Not current</i>	
Advances to TMEC	₱565,309,431	₱—	₱—	₱—	₱565,309,431	₱—	₱565,309,431

COAL ASIA HOLDINGS INCORPORATED AND SUBSIDIARY

G. Capital Stock

MARCH 31, 2026

				<i>Number of shares held by</i>		
<i>Title of Issue</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related statements of financial position caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Capital stock - ₱0.10 par value	50,000,000,000	40,000,000,004	–	28,671,399,999	4,120,041	11,324,480,000

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: **COAL ASIA HOLDINGS INCORPORATED**

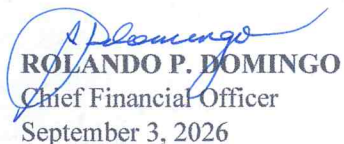
By:



JOHNSON A. SANHI JR.

President/Chief Operating Officer

September 3, 2026



ROLANDO P. DOMINGO
Chief Financial Officer
September 3, 2026