COVER SHEET

3	9	2	4	3					

S.E.C. Registration Number

				I	M	P	E	R	I	A	L		R	E	S	O	U	R	C	E	S						
							I	N	C	O	R	P	O	R	A	T	E	D									

(Company's Full Name)

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

JESUS VICENTE B. CAPELLAN

Contact Person

8	7	2	1	-	6	9	9	4

Company Telephone Number

SEC FORM 17-C

1	2		3	1		DEFINITIVE INFORMATION STATEMENT (20-IS) AS OF DECEMBER 31, 2025		0	7		

Month Day
Fiscal Year

Form Type

Month Day
Annual Meeting

N/A

Secondary License Type, If Applicable

M	S	R	D

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

Total Amount of Borrowings

N/A

Total No. of Stockholders

N/A

Domestic

N/A

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = pls. Use black ink for scanning purposes

IMPERIAL RESOURCES, INCORPORATED
82-J 4th Street, Bgy. Mariana, New Manila, Quezon City

CERTIFICATION

This is to certify that none of the members of the board of directors or officers of Imperial Resources Incorporated are connected or employed in the government.

This certification is issued in connection with the preparation of SEC Form 20-IS, a requirement by the Securities and Exchange Commission.

Makati City, Metro Manila

June 01, 2026

JESUS VICENTE B. CAPELLAN
Corporate Secretary

IMPERIAL RESOURCES INCORPORATED

Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air
Makati City, Metro Manila

NOTICE OF THE REGULAR ANNUAL STOCKHOLDERS' MEETING

DEAR STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the regular annual meeting of the stockholders of **IMPERIAL RESOURCES INCORPORATED** will be held at **Unit 202 Villa Building, No. 78 Jupiter Street, Barangay Bel-Air, Makati City, Metro Manila,** on **Thursday, July 9, 2026**, at **10:00 o'clock in the morning**. The order of business of said meeting shall be as follows:

1. Secretary's Proof of Notice of Meeting
2. Declaration of Quorum
3. Approval of the Minutes of Regular Annual Stockholders' Meeting held on July 10, 2025
4. Annual Report as at December 31, 2025
   - **4.1.** President's Report to Equity Holders
   - **4.2.** Financial Statements
5. Approval by the stockholders of the Annual Report and the Financial Statements of the corporation
6. Election of Seven (7) Members of the Board of Directors inclusive of two (2) Independent Directors
7. Ratification of the appointment of Villaruz, Villaruz & Co. CPA's as Independent Auditor of Imperial Resources Incorporated, with business address at Unit 3, Level 9 Galleria Corporate Center, E. Delos Santos Avenue (EDSA) corner Ortigas Avenue, Quezon City, Metro Manila
8. Ratification of all acts, contracts, resolutions and proceedings of the Board of Directors and Corporate Officers acting within the scope of their designated authority from July 10, 2025 Annual Stockholders' Meeting until the present, July 9, 2026
9. Other Matters
10. Adjournment

The Board of Directors has fixed May 26, 2026 as the record date for the determination of stockholders who are entitled to notice and to vote at the meeting. On the other hand, the stock and transfer book of the Company will be closed at 5:00 o'clock in the afternoon of July 01, 2026 and will be reopened after the stockholders meeting.

JESUS VICENTE B. CAPELLAN
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

INFORMATION STATEMENT
PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

Filed by the Registrant [**x**]

Filled by a Party other than the Registrant [ ]

1. Check the appropriate box:

   [ ] Preliminary Information Statement

   [**x**] Definitive Information Statement

2. Name of Registrant as specified in its charter **IMPERIAL RESOURCES INCORPORATED**

3. **Metro Manila, Philippines**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **39243**

5. BIR Tax Identification Code **000-463-670-000**

6. **Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City Metro Manila** **1209**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code **(632) 8721-6994/8570-6972**

8. **July 9, 2026, 10:00 A.M., Unit 202 Villa Building, No. 78, Jupiter Street, Barangay Bel-Air, Makati City**
   Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders **June 8, 2026**

10. There is no proxy solicitation

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate Registrants):

Title of Each Class	**Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding**
Common Stock – P1.00 par value	652,500,000 Six Hundred Fifty-Two Million Five Hundred Thousand Common Shares

There are no debt securities
Amount of Debt Outstanding - *Php88,761,263*

12. Are any or all of Registrant's securities listed on a Stock Exchange?

Yes [**x**] No ____

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange **Common Stock Shares**

The original Twenty Million (20,000,000) shares of stock consisting of Fourteen Million (14,000,000) Common Class "A" shares and Six Million (6,000,000) Common Class "B" shares are listed in the Philippine Stock Exchange. After the approval of the change in par value from Php5.00 to Php1.00 and declassification of Class "A" and Class "B" into Common Stock by the Securities and Exchange Commission on February 10, 2017, the Common Stock shares listed with Philippine Stock Exchange has become 100,000,000 shares.

Inasmuch as the company desires to increase its listed shares in the Philippine Stock Exchange (PSE), the majority of the issued and outstanding shares of stocks of Imperial Resources Incorporated, in the number of **Five Hundred Forty-Six Million Two Hundred Thirty-Three Thousand Six Hundred Seventy (546,233,670) common shares, which consist of Eighty-Three point Seven One Four Percent (83.714%),** is the subject of probate proceedings, entitled: *IN RE: Petition for the Probate of the Will of Oliverio G. Laperal, Sr., Desiderio L. Laperal, petitioner, pending before the Regional Trial of Court, Branch 148, Makati City, Metro Manila.*

Once the probate court finally allows and approves the administration and disposition of the estate, including the said shares of stocks of Oliverio G. Laperal, Sr. as well as when the economic condition improves, the Company shall endeavor to work on the listing requirements of PSE for additional shares.

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

However, if you wish to send a representative/proxy, please send your proxy letter not later than July 02, 2026 for recording and validation to the office of the Corporate Secretary of Imperial Resources Incorporated at Unit 202 Villa Building, No.78 Jupiter Street, Bel-Air, Makati City, Metro Manila 1209 or at No. 82-J 4th Street, Barangay Mariana, New Manila, Quezon City, Metro Manila 1112.

ITEM 1. DATE/TIME/PLACE OF THE ANNUAL MEETING OF THE SECURITY HOLDERS

a. The stockholders' meeting shall be held on:

Date	:	July 9, 2026 (Thursday)
Time	:	10:00 o'clock
Place	:	Unit 202 Villa Building, No. 78 Jupiter Street Barangay Bel-Air, Makati City, Metro Manila

GOOGLE ZOOM PLATFORM

Meeting ID	:	868 4145 7730
Passcode	:	819655

Complete mailing address of the business office of the Registrant:
No. 82-J 4th Street, Mariana, New Manila, Quezon City, Metro Manila

b. The approximate date on which the information statement is first to be sent and given to the security holders shall be June 8, 2026.

ITEM 2. DISSENTER'S RIGHT OF APPRAISAL

Any stockholder of the corporation shall have the right to dissent and demand payment of the fair value of his shares in any of the following instance(s):

1. In case of any amendment to the articles of incorporation which has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
3. In case of merger or consolidation; and
4. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

There are no corporate actions that will be taken up at its regular annual stockholders' meeting for which a stockholder may exercise the right of appraisal.

How Right is Exercised - The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for the payment of the fair value of his shares; *Provided*, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: *Provided,* that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and *Provided, further*, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

Effect of Demand and Termination of Right – From the time of demand for payment of the fair value of the dissenting stockholder's shares until either the abandonment of the corporate action involved of the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and individual rights shall be suspended, except the right of such stockholder to receive payment of the fair value thereof; *Provided*, that if the dissenting stockholder is not paid the value of the said shares within thirty (30) days after the award, the voting and dividend rights shall immediate be restored to the stockholder.

When Right to Payment Ceases – The demand for payment pursuant to the exercise of appraisal right may not be withdrawn unless the corporation consents thereof. If, however, such demand for payment withdrawn with the consent of the corporation, or if the proposed corporate action is abandoned or rescinded by the corporation or disapproved by the Commission where such approval is necessary, or if the Commission where such stockholder is not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of the shares, the status of the stockholder shall be restored, and all dividend distributions which would have accrued on the shares shall be paid to the stockholder.

Who Bears Cost of Appraisal - The costs and expenses of appraisal are borne by the corporation, unless the fair value ascertained by appraisers is approximately the same as the price which the corporation may have offered to pay the stockholder, in which case said expenses shall be borne by the dissenting stockholder. In the case of an action to recover such fair value, all costs and expenses shall be assessed against the corporation, unless the refusal of the stockholder or receive payment was unjustified.

Notation on Certificate: Rights of Transferee – Within ten (10) days after demanding payment for shares held, a dissenting stockholder shall submit the certificates of stock representing the shares to the corporation for notation that such shares are dissenting shares. Failure to do so shall, at the option of the corporation, terminate the appraisal right. If shares represented by the certificates bearing such notation are transferred, and the certificates consequently cancelled, the rights of the transferor as a dissenting stockholder shall cease and the transferee shall have all the rights of a regular stockholder; and all dividend distribution which would have accrued on such shares shall be paid to the transferee.

ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

(a) There is no substantial interest, direct or indirect, by security holdings or otherwise, of each of the following persons in any manner to be acted upon, other than the election to office.

1. Each person who has been a director or officer of the Registrant at any time since the beginning of the last fiscal year;
2. Each nominee for election as director of the Registrant;
3. Each associate of any of the foregoing persons.

(b) No director has informed the Registrant in writing that he intends to oppose any action to be taken at the meeting. No indication of any action intended to be opposed.

B. CONTROL AND COMPENSATION INFORMATION

ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

(a) As of Record Date, the Company had the following outstanding shares of common stocks:

Class **No. of Shares** **Voting Shares**
Voting Share **Outstanding** **Entitled to Vote**

Title of Each Class	Number of Shares Outstanding Computed at P1.00 Par value per Share	%	No. of Shares Entitled to Vote
Common Filipino	650,295,005	99.664%	One vote per share
Common Foreign	2,204,995	0.33%	One vote per share
Total	652,500,000	100%	

(b) All stockholders as of May 26, 2026, record date are entitled to notice and to vote at the Annual Stockholders' Meeting.

At all elections of directors, there must be present, either in person or through a representative authorized to act by written proxy, the owners of majority of the outstanding capital stock entitled to vote. The Registrant, it being vested with public interest, allows stockholders to vote through remote communication or *in absentia.*

The stockholder who participates through remote communication or *in absentia*, is deemed present for purposes of quorum.

The election must be by ballot if requested by any voting stockholder. Otherwise, it is by the raising of hands to determine the number of shares who voted in favor of the resolution or the matter submitted for approval.

(c) The election of directors shall be taken up at the meeting and pursuant to Section 23 of the Revised Corporation Code, each stockholder shall have the right to cumulate his votes in favor of any nominee(s) for director. There are no condition precedents for the exercise of the cumulative voting rights in the election of directors. A stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholder should not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

If no election is held, or the owners of majority of the outstanding capital stock entitled to vote are not present in person by proxy, or through remote communications or not voting *in absentia* at the meeting, such meeting may be adjourned.

The non-holding of elections and the reasons therefor shall be reported to the Commission within thirty (30) days from the date of the scheduled election. The report shall specify a new date for the election, which shall not be later than sixty (60) says from the scheduled date.

If no new date has been designated, or if the rescheduled election is likewise not held, the Commission may, upon the application of a stockholder or director, and after verification of the unjustifiable non-holding of the election, summarily order that an election be held. The Commission shall have the power to issue such orders as may be appropriate, including orders directing the issuance of a notice stating the time and place of the election, designated presiding officer, and the record date or dates for the determination of stockholders entitled to vote.

The directors or trustees elected shall perform their duties as prescribe by law, rules of good corporate governance, and by-laws of the corporation.

The total number of votes that may be cast by a stockholder of the Company is computed as follows: no. of shares held on record as of record date x 7 directors. Pursuant to Section 23 of the Revised Corporation Code, candidates receiving the highest number of votes will be declared elected.

In all other cases, each share of stock is entitled to one vote.

Right to Vote of Secured Creditors and Administrators. - In case a stockholder grants security interest in his/her shares, the stockholder-grantor shall have the right to attend and vote at meetings of stockholders, unless the secured creditor is expressly given by the stockholder-grantor such right in writing which is recorded in the appropriate corporate books.

Executors, administrators, receivers, and other legal representatives duly appointed by court may attend and vote on behalf of the stockholders without need of any written proxy.

Voting in Case of Joint Ownership of Stock. - In case of shares of stock owned jointly by two or more persons, in order to vote the same, the consent of all the co-owners shall be necessary, unless there is a written proxy signed by all the co-owners, authorizing one or some of them or any other person to vote such share or shares; *Provided*, that when the shares are owned in an "and/or" capacity by the holder thereof, any one of the joint owners can vote said shares or appoint a proxy therefore.

Voting right for treasury shares - Treasury shares shall have no voting right as long as such stock remains in Treasury.

VOTING PROCEDURE

In all matters to be submitted to voting which are: (i) amendment of the By-Laws; and, (ii) increasing the authorized capital stock, the counting of the majority or two thirds (2/3) of the outstanding capital stock shall be by raising of hands to determine the number of shares who vote in favor of the resolution for the amendment or increase of the authorized capital stock and other incidents.

a. Vote required for amended By-Laws, the owners of at least a majority of the outstanding capital stock.
b. Vote required for the increase of authorized capital stock, the approval by a majority vote of the Board of Directors and two-third (2/3) of the outstanding capital stock.

There is no information or fact gained that a change in control of the Registrant has occurred since the beginning of its last fiscal year. Hence, no details can be stated.

In the election of the seven (7) Directors of the Board, the seven (7) nominees (including the two (2) nominees for Independent Directors) who garner the highest votes shall each be deemed duly elected to the Board. Voting by ballot shall be supervised by a Voting Committee. However, voting by ballot shall be dispensed with upon assent of seventy per cent (70%) of the outstanding shares.

C – SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

(1)SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS OF MORE THAN 5% OF ANY CLASS AS OF MAY 31, 2026

(2) Name, Address of Record Owner and Relation-ship with Issuer	(3) Name of Beneficial Owner and Relationship With Record Owner	(4) Citizenship	(5) Number of Shares Held	(6) Percent of Owner-ship Held
PCD Nominee, Corporation,	Various stockholders	Filipino and Other	32,392,145 871,320	5.0978%

Ground Floor MSE Building 6767 Ayala Ave., Makati City (Stockholder)	Clients	Nationalities		
Oliverio G. Laperal, Sr.* 31 Pili Avenue, Forbes Park, Makati City (Stockholder)	Owner	Filipino	546,233,670	83.7140%

*Mr. Oliverio G. Laperal, Sr. (+) shall be represented by his executor/administrator, Mr. Desiderio L. Laperal, in regard to the former's shares.`

(2) SECURITY OWNERSHIP OF MANAGEMENT AS OF MAY 31, 2026

(1) Title of Class	(2) Name of Beneficial Owner	(3) Amount and Nature of Beneficial Ownership	(4) Citizenship	(5) Percent of Class
(a) Directors and Executive Officers:				
Common Stock	Desiderio L. Laperal	1,670,000 Shares (voting power and investment return [Record])	Filipino	0.256%
Common Stock	Oliverio L. Laperal, Jr.	1,580,000 Shares (voting power and investment return [Record])	Filipino	0,242%
Common Stock	Jesus Vicente B. Capellan	160,000 Shares (voting power and investment return [Record])	Filipino	0.025%
Common Stock	Vilma B. Villanueva	200,000 Shares (voting power and investment return [Record])	Filipino	0.031%
Common Stock	Horacio M. Pascual	175,000 Shares (voting power and investment return [Record])	Filipino	0.027%
Common Stock	Marciano G. Delson	500 Shares (voting power and investment return [Record])	Filipino	0.000%
Common Stock	Genelita G. Manandic	1,000 shares (voting power and investment return [Record])	Filipino	0.000%
(b) Directors and Executive Officers as a group unnamed				
Common Stock		3,786,500 shares (voting power and investment return [Record])	Filipino	0.581%

(3) VOTING TRUST HOLDERS OF 5% OR MORE

There are no holders of voting trust agreements or of similar import.

(4) CHANGES IN CONTROL

Management continues to receive inquiries regarding possible strategic alliance or merger. However, as of the date of this report there is no formal arrangement firmed up with any person or group of persons or entities which may

result in a change in control of the Registrant and, therefore, there is no material information to disclose.

D - CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

During the years 2024 and 2025, the Company records show that there were consummated transactions to which the Registrant was a party, in which a director, executive officer or stockholder owns ten per cent (10%) or more of the total outstanding shares. The following are material transactions:

1. **Parent Company and Subsidiary**

   The Parent Company has made advances for the working capital of its subsidiary Philippine Cyber College Corp. As of December 31, 2025, and 2024 the Parent Company's advances to its subsidiary the amounts of Php25,643,737 and Php25,294,934, respectively. In accordance with the consolidation process, these have been eliminated in the consolidated financial statements.

2. **Key Management Personnel**

	Amount of Transactions	Outstanding Balance	Terms and Conditions
Year 2025 Short-term employee benefits	P953,135	P -	There are no termination, other long term benefits and share-based payments granted to our key management personnel for the year ended December 31, 2025
Post-Employment benefits	1,774,557	-	
Year 2024 Short-term employee benefits	P1,741,115	P -	There are no termination, other long term benefits and share-based payments granted to our key management personnel for the year ended December 31, 2024
Post-Employment benefits	2,655,836	-	
Year 2023 Short-term employee benefits	P1,849,848	P -	There are no termination, other long term benefits and share-based payments granted to our key management personnel for the year ended December 31, 2023
Post-Employment benefits	2,632,470	-	

There were no termination, post-employment, other long-term benefits and share-based payments granted to the key management personnel for the years ended December 31, 2025, 2024 and 2023. The President/Chief Executive Officer and Vice-President/Treasurer (Chief Financial Officer) do not receive salary from the Company but receive a monthly allowance of P5,000.00 starting April 2019. The Company's Chief Accounting Officer's total compensation in

2025 which includes salary, 13th month pay, director's fee and *Deminimis* was P614,854. The members of the Board of Directors receive only *per diem* of P10,000.00 per attendance in the regular and special meeting of the Board. The *Per Diem* for the attendance in the annual stockholder's meeting followed by the organizational meeting or special stockholders meeting is Fifteen Thousand Pesos (P15,000.00). The total amount of *per diem* paid in 2025, 2024 and 2023 were P235,000, P225,000 and P315,000, respectively.

3. Parent Company and Imperial Development Corporation – Common Director

The Parent Company is renting its office from Imperial Development Corporation. Mr. Desiderio L. Laperal, a director and officer of the company, owns more than ten percent (10%) of the total outstanding shares of Imperial Development Corporation and is at the same time a director and officer of said corporation. The total rental expense for 2025 was P635,712. The contract of lease expired on December 31, 2024 and was renewed for another year at a monthly rate of P52,976 starting from January 1, 2025 to December 31, 2025. Again, the contract of lease was renewed for another year from January 1, 2026 to December 31, 2026 at the same monthly rate.

This is further discussed under "Other Related Party-Common Director" Note 12 to Consolidated Financial Statements as of December 31, 2025.

4. Parent Company and its Subsidiary and Filipinas Golf and Country Club, Inc. –

Common Director

The Parent Company and its subsidiary (PCC) have a sub-lease agreement (sub-lessee) with Filipinas Golf and Country Club, Inc. as a sub-lessor for an office space of about ten (10) square meters more or less each located at the second floor of an office building for a period of one (1) year starting January 1, 2015. The monthly rental paid by each sub-lessee is P6,179.04 from January, 2015 to May, 2015 and P6,434,40 from June, 2015 to December, 2015. The sub-lease agreement was renewed for another year. From January, 2016 to May, 2016 the monthly rental paid by each sub-lease was P6,434.40 and from June, 2016 to December, 2016 it was P6,689.76. The sub-lease agreement was extended until the expiration of the lease contract of Filipinas Golf and Country Club, Inc. with the building owner which was May 31, 2017. FGCC renewed its contract with the building owner for another one (1) year starting June 1, 2017 until May 31, 2018. Subsequently, IRI & PCC renewed its sub-lease contract with FGCC for another one (1) year starting from June 1, 2017 to May 31, 2018 with a monthly rental of P6,689.76 each, which covered water bills, parking and association dues. Again IRI & PCC renewed its sub-lease contract with FGCC at P7,013.89 per month which covered water bills, parking and association dues for another one (1) year starting from June 1, 2018 until May 31, 2019 after FGCC renewed its lease contract with the building owner also for another one (1) year from starting June 1, 2018 until May 31, 2019. On April 6, 2019, FGCCI renewed its lease contract with the building owner for a term of three (3) years commencing on April 1, 2019 until March 31, 2022. On April 5,

2022 FGCCI renewed its lease contract with the building owner for a term of three (3) years commencing on April 1, 2022 until March 31, 2025 at P36,120.99 per month for office rent and parking space and 12% VAT plus P2,900.80 for association dues and 12% VAT or a total of P39,012.79.

IRI and PCC renewed the sub-lease contract with FGCCI for another year starting from April 1, 2019 until March 31, 2020 at P8,915.91 each per month which covered also water bills, parking and association dues. Again IRI and PCC renewed the sub-lease contract with Filipinas Golf & Country Club, Inc. for another year. The rent from April 1, 2020 to December 31, 2020 was P8,465.41 and P9,325.43 from January 1, 2021 to March 31, 2021 which included water bills, parking and association dues for both periods. IRI and PCC renewed the sub-lease contract for another year commencing on April 1, 2021 until March 31, 2022 at a monthly rate of P9,755.44 which included water bills, parking and association dues. IRI and PCC renewed the sub-lease contract for another one (1) year commencing on April 1, 2022 until March 31, 2023 at a monthly rate of P9,755.45 inclusive of water bills, parking, association dues and 12% VAT. Upon expiration IRI and PCC renewed the sub-lease contract for another year expiring on March 31, 2024 and again for another year expiring March 31, 2025 under the same terms and conditions.

5. Parent Company and its Officer / Major Stockholder

The Parent Company has advances payable as of December 31, 2025 to its major stockholder, Mr. Oliverio G. Laperal, Sr., amounting to P12,911,215. This payable does not have any repayment date. It is also non-interest bearing.

6. Parent Company and LTC Real Estate Corporation

In March 2016, LTC Real Estate Corp., an investor, and the Parent Entity entered into a memorandum of agreement for the prospective subscription on the shares of stocks of the Parent Entity at the prevailing par value in the amount of Ten Million Pesos (P10,000,000) on or before December 31, 2016. The said amount shall be considered as a deposit and shall be subject to disposition, transfer and recovery by the investor. The Parent Entity has the corresponding duty to hold in trust and/or return the said amount on demand.

As at December 31, 2019, 2018 and 2017, the Parent Entity failed to meet all the required conditions to consider the deposit as deposit for future stock subscription. Thus, the deposit was recognized as advances from shareholders under non-current liabilities in the statements of financial position. The total amount of advances made by LTC Real Estate Corp. are P68,093,625, P61,683,625 and P55,343,625 for the years 2025, 2024 and 2023, respectively.

The Parent Entity and its subsidiary do not have any guarantees of securities of other issuing entities by the issuer for which the statement is filed as at December 31, 2025.

These certain relationships and related transactions are further discussed in the Note 13 of the Consolidated Financial Statements.

The Parent Entity and its subsidiary do not have any relationship with any parties that fall outside of the definition "Related Parties" under SFAS/IAS No. 24.

In the past three years there has been no complaint, dispute or claim against related party transactions that the Company is aware of.

INSIDER TRADING/MATERIAL INSIDE INFORMATION

The Company is not aware of any case of insider trading involving any of its directors and officers in the past three years. All its directors, officers and employees are aware that the Company does not allow the unlawful use of material inside information by any of them.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

(1) a-c.

Name	Age	Citizenship	Position
Atty. HORACIO M. PASCUAL	93	Filipino	Chairman of the Board
Mr. OLIVERIO L. LAPERAL, JR.	76	Filipino	President/Chief Executive Officer/ Member, Board of Director
Mr. DESIDERIO L. LAPERAL	71	Filipino	Vice-President/CFO/ Treasurer/Member, Board of Director
Ms. VILMA B. VILLANUEVA	83	Filipino	Chief Accounting Officer/Assistant Treasurer Member, Board of Directors
Atty. JESUS VICENTE B. CAPELLAN	59	Filipino	Corporate Secretary/ Compliance Officer Member, Board of Directors
Ms. GENELITA G. MANANDIC (Independent Director*)	63	Filipino	Member, Board of Directors
Atty. MARCIANO G. DELSON (Independent Director*)	59	Filipino	Member, Board of Directors

*An "Independent Director" refers to a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having any relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Company has its nomination committee which recommends to the board those qualified to be elected as members of the Board of Directors. The above-named members of the board were elected during the annual stockholders' meeting held on July 10, 2025. Immediately after the said meeting the members of the board held an organizational meeting wherein the above stated officers were elected.

There has been no director who has resigned nor declined to stand for re-election to the board of directors since the last three (3) years because of a

disagreement with the Company on matters relating to its operations, policies and practices.

Per SEC Memorandum Circular No. 4, Series of 2017, to promote and reinforce board independence and to be consistent with recognized regional best practice, the following are the amended rules on the term limit of independent directors:

1. A company's independent director shall serve for a maximum cumulative term of nine (9) years;
2. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as a non-independent director;
3. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual stockholders' meeting; and
4. Reckoning of the cumulative nine-year term is from 2012.

Insofar as Independent Director, Genelita G. Manandic, despite her service of more than nine (9) years, she was re-elected to the Board and the same was approved during the regular annual stockholders' meeting on July 10, 2025, based on her competence, academic qualifications, technical experience, independent judgment and in compliance with the State policy on diversity and empowerment of the female gender.

All directors are aware of the requirements of the Securities and Exchange Commission regarding the purchase and/or sale of their Company shares covered by SEC form 23 A/B and 18A/18AS. During the year 2025 no director purchased or sold any shares of the Company which necessitated a report to SEC.

The term of office of the directors is one year. The period during which the directors/officers have served the company is presented in their respective resume attached to and forming part of this report.

d. **A summary of the business experiences during the past five (5) years of each of the above-named directors are shown in their respective resume attached to this report as ANNEX "C"**.

(2) SIGNIFICANT EMPLOYEES

The Company views its human resources as an important factor in its operations, however, the Company is not highly dependent on the services of any key personnel, hence, no arrangement has been made with respect to any person who will remain with the Company and perceived to compete upon termination. Employees who resign or terminated are required to sign a quitclaim stating among others that they are binding themselves not to divulge any information or trade secrets which they have learned and which have come to their knowledge in confidence and which if revealed would be prejudicial to the Company.

(3) FAMILY RELATIONSHIP:

Mr. Oliverio L. Laperal, Jr., President/Chief Executive Officer, and Mr. Desiderio L. Laperal Vice-President and Treasurer are the sons of the late Mr. Oliverio G. Laperal, Sr., former President and Chief Executive Officer and a major stockholder.

(4) INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS (OCURRED DURING THE PAST FIVE (5) YEARS AND MATERIAL TO EVALUATION)

During the past five (5) years or since January 1, 2020 up to the present the Company is not aware of any events involving legal proceedings of such nature that are material to the evaluation of its present Directors/Officers namely: DESIDERIO L. LAPERAL, OLIVERIO L. LAPERAL, JR., JESUS VICENTE B. CAPELLAN, HORACIO M. PASCUAL, VILMA B. VILLANUEVA, MARCIANO G. DELSON and GENELITA G. MANANDIC.

a. The Company is not aware of any bankruptcy petition filed by or against any business which any of the abovementioned directors/officers was a general partner or executive officer at anytime within five (5) years;

b. The Company is not aware of any conviction by final judgment for any offense, in a criminal proceeding, domestic or foreign, or being the subject of a pending criminal proceeding of any of the above-mentioned directors/officers;

c. The Company is not aware of any order, judgment or decree, not subsequently reversed, suspended, or vacated, by any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above-mentioned directors/officers in any type of business, securities, commodities or banking activities;

d. The Company is not aware of any findings by a domestic or foreign court of competent jurisdiction, the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, that any of the above-mentioned directors/officers has violated a securities or commodities law or regulation and said judgment has not been reversed, suspended or vacated.

While there are cases in which Mr. Desiderio L. Laperal, is named individually as party- litigant, said cases do not directly or indirectly concern or pertain to Imperial Resources Incorporated and its subsidiary, the Registrant Corporation, but are cases which name him as representative or individually outside of Imperial Resources Incorporated and its subsidiary. Please see the list of cases hereto attached as Annex “B”.

NUMBER OF INDEPENDENT DIRECTORS

All companies are encouraged to have independent directors. However, issues of registered securities and public companies are required to have at least two (2) independent directors or at least twenty (20%) of its board size, whichever is lesser. *Provided, further,* that said companies may choose to have more independent directors in their boards than as above-required.

The nominees for election as Independent Directors of the Board of Directors on July 9, 2026 are as follows:

Nominees of Independent Directors	Person/Group Recommending Nomination	Relation of (a) and (b)
(a)	(b)	
Dean Marciano G. Delson	Mr. Oliverio L. Laperal, Jr.	None
Ms. Genelita G. Manandic	Atty. Jesus Vicente B. Capellan	None

D. NOMINEES FOR ELECTION AS MEMBERS OF THE BOARD OF DIRECTORS.

For the year 2026, the Chairman of the Nomination Committee is Atty. Jesus Vicente B. Capellan, with the following members, Mr. Oliverio L. Laperal, Jr. and Ms. Genelita G. Manandic, as Independent Director.

The nominees for election of the Board of Directors on July 9, 2026 are as follows:

1. Atty. Horacio M. Pascual
2. Mr. Desiderio L. Laperal
3. Mr. Oliverio L. Laperal, Jr.
4. Ms. Vilma B. Villanueva
5. Atty. Jesus Vicente B. Capellan
6. Ms. Genelita G. Manandic (Independent Director)
7. Dean Marciano G. Delson (Independent Director)

ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE DIRECTORS

(1) & (2) General and Summary Compensation Table

ANNUAL COMPENSATION

(a) **Name and Principal Position**	(b) **Year**	(c) **Salary (P)**	(d) **13th Month/ Bonus (P)**	(e) ***Other Annual Compensation**

Oliverio L. Laperal, Jr. President/Chief Executive Officer	2024 2025 2026	No Compensation Allowance –60,000 No Compensation Allowance –60,000 No Compensation Allowance – 60,000	- 5,000 5,000 5,000	25,000.00 35,000.00 35,000.00
Desiderio L. Laperal Vice-President/ /CFO/ Treasurer	2024 2025 2026	No Compensation Allowance –60,000 No Compensation Allowance –60,000 No Compensation Allowance –60,000	- 5,000 5,000 5,000	25,000.00 35,000.00 35,000.00
A. Jesus Vicente B. Capellan Corporate Secretary	2024 2025 2026	300,000.00 300,000.00 300,000.00	25,000.00 25,000.00 25,000.00	35,000.00 35,000.00 35,000.00
B. Vilma B. Villanueva Chief Accounting Officer	2024 2025 2026	513,096.00 513,096.00 513,096.00	42,758.00 42,758.00 42,758.00	35,000.00 35,000.00 35,000.00
C. Bernadette S. Magahis Secretary to the President	2024 2025 2026	474,456.00 474,456.00 474,456.00	39,538.00 39,538.00 39,538.00	- - -
D. All Other Officers and Directors as a group E. unnamed	2024 2025 2026	- - -	- - -	135,000.00 105,000.00 95,000.00

* The "Other Annual Compensation" column represents the *per diem* paid to all the members of the Board of Directors for their attendance in the regular and special meetings of the Board for the year 2026, the figures under columns (c), (d) and (e) are estimated figures only.

COMPENSATION OF DIRECTORS

Except for the two directors who receive a monthly allowance of P5,000.00 each starting in April, 2019 the Members of the Board do not receive fixed compensation but each member is given *per diem* for every attendance in regular and special meeting of the Board of Directors in the amount of Ten Thousand Pesos (P10,000.00). The *per diem* for the attendance of each member in the annual stockholders' meeting followed by the organizational meeting or special stockholders' meeting is Fifteen Thousand Pesos (P15,000.00).

During the year 2025, there were two (2) special meetings of the Board of Director and one (1) Annual stockholders' meeting held. There was one (1) recorded absence during the three (3) meetings held through video conferencing. Also in 2024 there were two (2) special meetings of the Board of Directors and one (1) Annual Stockholders' meeting through video conferencing where there were two (2) recorded absences.

Other than the standard arrangements pursuant to which the directors of the Registrant are compensated, there are no other arrangements nor consulting contracts, pursuant to which any director of the Registrant was compensated, or is to be compensated, directly or indirectly during the Registrant's last completed fiscal year and the ensuing year, for any service provided as a director. Other than the per diem paid, there are no other arrangements, bonuses, profit sharing, or other similar plans, which arrangements forming part of the compensation, hence, the details being asked could not be discussed nor disclosed.

(3) EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS.

There are no employment contracts and termination of employment and change-in- control arrangements during 2025, hence, the details being asked could not be discussed or disclosed.

(4) WARRANTS AND STOCK OPTIONS OF OFFICERS AND DIRECTORS

During the year covered by this report up to the date of this report, none of the Officers or Directors are recipient of stock options, warrants or rights.

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

As stated in the information statement under "Other Events", in compliance with the principles of good corporate governance and best practices, the Board constituted Committees, which are the (1) Nomination Committee; (2) Audit Committee; and, (3) Compensation and Remuneration Committee, through the process of election during organizational meeting of the officers of the Company. The term of the elected members is for one (1) year. The election of the candidates takes into consideration the present qualification and none of the disqualifications of the nominees. Each of the three (3) Committees is composed of three (3) members of the Board, one of whom shall be an independent director and shall have adequate understanding at least or competence of the Company's financial management system and environment. For the year 2025, the Chairman of the Audit Committee is Ms. Genelita G. Manandic, Independent Director, with following member, Mr. Desiderio L. Laperal, and Atty. Horacio M. Pascual.

(a) In December, 2010, the Group engaged the services of Villaruz, Villaruz & Co., CPAs, with office address at Unit 3, Level 9, Galleria Corporate Center, E. Delos Santos Avenue corner Ortigas Avenue, Quezon City, Metro Manila, to audit the financial statements of Imperial Resources Incorporated (Parent Entity) and Philippine Cyber College Corp. (Subsidiary) as at December 31, 2010. The said auditing firm audited the financial statements of the Parent Entity and its Subsidiary for the succeeding years. Again, in the annual stockholders' meeting held on July 10, 2025 the stockholders ratified the appointment of Villaruz, Villaruz & Co., CPAs, as the Auditor of Imperial Resources Incorporated effective immediately. The Board of Directors will again nominate the same accounting firm for re-appointment this fiscal year, unless said firm will terminate its services for replacement.

Representative of Villaruz, Villaruz & Co., CPAs, are expected to be present at the annual stockholders' meeting with an opportunity to make statement, if they so desire, and will be available to entertain appropriate questions.

(b) In conformity with **Section D, Item VIII** of the Company's Manual on Corporate Governance (**Manual**), the handling partner of Villaruz, Villaruz & Co., CPAs, as the Company's independent auditor, shall be changed every five (5) years or earlier. For the years 2010 to 2013, inclusive, the signing partner was Mrs. Normita L. Villaruz and for the years 2014 to 2018, the signing partner is Mr. George V. Villaruz. For the year 2010 to 2023, the signing partner was Ms. Normita L, Villaruz. For the years 2024 and 2025 the signing partner is Mr. George V. Villaruz. The Group will rotate the signing partner of its external auditors at least every five (5) years to comply with the requirements of SRC Rule 68 (3)(b)(iv).

No case of independent accountant who declined to stand for re-election after completion of the current audit or was dismissed.

ITEM 8. COMPENSATION PLANS

No action shall be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

a. The Company has no stock options, warrants or rights;
b. Likewise, there is no other type of compensation plan;
c. There is no compensation plan which has been taken up. Hence, the details being asked could not be discussed nor disclosed. In the same manner no other type of compensation plan, hence, no details can be discussed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

ITEM 9. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

No action will be taken with respect to the authorization or issuance of any securities otherwise for exchange for outstanding securities of the Registrant. Hence, no information required by Part III paragraph (B) of Annex "A" can be given.

ITEM 10. MODIFICATION OR EXCHANGE OF SECURITIES

No action will be taken with respect to the modification of any class of securities of the Registrant or the issuance or authorization for issuance of one

class of securities of the Registrant in exchange for outstanding securities of another class.

All other instruction contained in letters (a) through (g) are not applicable.

ITEM 11. FINANCIAL AND OTHER INFORMATION

(a) Information required.

No other action will be taken with respect to any matter specified in ITEM 9 or 10, hence, the information required in numbers 1, 4 and 5 with the exception of management discussion and analysis and plan of operation will be included in this information and (4): A statement as to whether or not representatives of principal accountants (1) are expected to be present at the security holders meeting will have the opportunity to make a statement if they desire to do so; or are expected to have to be available to respond to appropriate actions which has already been answered in the applications.

ITEM 12. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS

No action will be taken with respect to any transaction involving merger, consolidation, acquisition or similar matters, hence, the discussion with respect to the details thereto cannot be given.

All matters asked concerning letters (a), (b), and (c) cannot be given owing to the absence of the transactions.

ITEM 13. ACQUISITION OR DISPOSITION OF PROPERTY

No action will be taken with respect to the acquisition or disposition of any property, hence, no information can be given on the matters asked in (a) to (d).

ITEM 14. RESTATEMENT OF ACCOUNTS

No action will be taken with respect to the restatement of any asset, capital or surplus account of the Registrant, hence, no information on matters asked can be given.

D. OTHER MATTERS

Suggestions and/or proposals are open to all stockholders of record.

ITEM 15. ACTION WITH RESPECT TO REPORTS

All minutes of meeting of the Directors are included in Item 8 of the agenda. Likewise, all reports of its directors, officers, or committees are included in the minutes of meetings of the security holders. Specifically, the -

1. Approval of the Minutes of Regular Annual Stockholders' Meeting held on July 10, 2025
2. Approval by the stockholders of the Annual Report and the Financial Statements of the Company as of December 31, 2025.
3. Election of seven (7) members of the Board of Directors inclusive of two (2) Independent Directors.
4. Ratification of the appointment of Villaruz, Villaruz & Co. CPA's as independent auditor of Imperial Resources Incorporated with business address at Unit 3 Level 9 Galleria Corporate Center, E. Delos Santos Avenue corner Ortigas Avenue, Quezon City, Metro Manila.
5. Ratification of all acts, contracts, resolutions, and proceedings of the Board of Directors and Corporate Officers acting within the scope of their designated authority, from July 10, 2025 Annual Stockholders' Meeting until the present July 9, 2026, are included in said reports. These refers to acts, contracts, and proceedings of the Board of Directors and Corporate Officers which shall be approved and thenceforth, ratified by the security holders. All actions of the Board of Directors shall be approved in the annual stockholders' meeting.

Such matter intended for approval or disapproval of any action to be taken have been acted upon in resolutions passed and approved in the meeting after proper discussion of the Board, Committees of the Board, itself.

As stated, such matter intended for approval or disapproval have already been acted upon, to a vote of security holders, or by immediate action as called for.

ITEM 16. MATTERS NOT REQUIRED TO BE SUBMITTED

No action is to be taken with respect to any matter which is not required to be submitted to a vote by security holders.

ITEM 17. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS

No pending proposals for amendment of the charter, by-laws or other documents which may be submitted to a vote by security holders.

ITEM 18. OTHER PROPOSED ACTION

No other proposed action will be taken up with respect to any matter for the approval of the proposed exchange of shares of stock with real estate whose appraised value is less than ten (10%) per cent of increased capital stock of the corporation.

ITEM 19. VOTING PROCEDURES

Meetings of Stockholders

Regular meetings of stockholders shall be held annually on the 2nd Thursday of July of each year, at the principal office of the corporation, Unit 202 Villa

Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila or, if not applicable, at any place in Metro Manila. Written notice of regular meetings may be sent at least twenty-one (21) days to all stockholders of record through the postal or private courier service system, electronic mail, facsimile, short messaging system or such other manner as the Securities and Exchange Commission shall allow under its guidelines.

At each regular meeting of stockholders. The board of directors shall endeavor to present to stockholders the following:

1. The minutes of the most recent regular meeting which shall include, among others:
   a. A description of the voting and the vote tabulation procedures used in the previous meetings:
   b. A description of the opportunity given to stockholders to ask questions and record of the questions asked and answers given.
   c. The matters discussed and resolutions reached
   d. A record of the voting results for each agenda item;
   e. A list of directors, officers and stockholders who attended the meeting; and,
   f. Such other items that the Securities and Exchage Commission may require in the interest of good corporate Governance and protection of minority stockholders;

ATTENDEES IN 2025 ANNUAL STOCKHOLDERS' MEETING
Atty. Horacio M. Pascual
Mr. Desiderio L. Laperal
Mr. Oliverio L. Laperal, Jr.
Atty. Jesus Vicente B. Capellan
Ms. Vilma B. Villanueva
Dean Marciano G. Delson
Ms. Genelita G. Manandic
Victorina L. Laperal
Ms. Berandette S. Magahis
George V. Villaruz
Normita L. Villaruz

RESULTS OF 2025 REGULAR ANNUAL STOCKHOLDERS

Nominee	**Position**	**Votes**	**Abstain**	**Percentage of Votes Cast**
Horacio M. Pascual	Chairman/Director	572,972,545	None	87.8119
Oliverio L. Laperal, Jr.	President/CEO/Director	572,972,545	None	87.8119
Desiderio L. Laperal	VP/CFO/Treasurer/Director	572,972,545	None	87.8119
Vilma B. Villanueva	Chief Accounting Officer/ Asst. Treasurer/Director	572,972,545	None	87.8119
Jesus Vicente B. Capellan	Corporate Secretary/ Compliance Officer	572,972,545	None	87.8119
Genelita G. Manandic	Independent Director	572,972,545	None	87.8119

Marciano G. Delson	Independent Director	572,972,545	None	87.8119

Submission in the Agenda for approval	Votes	Abstain	Percentage of Votes Cast
Approval of the Minutes of regular annual stockholders' meeting held on July 10, 2025	572,972,545	None	87.8119
Approval of the stockholders of the Annual Report and the Financial Statements of the corporation	572,972,545	None	87.8119
Ratification of the appointment of Villaruz, Villaruz and Co., CPAs as Independent Auditor of Imperial Resource Incorporated address at Unit 3 Level 9 Galleria Corporate Center, E. delos Santos Avenue (EDSA) corner Ortigas Avenue, Quezon City, Metro Manila	572,972,545	None	87.8119
Ratification of all acts, contracts, resolutions and proceedings of the Board of Directors and Corporate Officers acting within the scope of their designated authority from July l0, 2025 Annual Stockholders' Meeting until the July 9, 2026	572,972,545	None	87.8119

Total No. of Common Shares	Par Value per share	No. of shares Present in Person	No. of Shares Present by Holders of Proxy	Vote Cast	Precent of the Votes Cast
652,500,000	P1.00	3,786,500	569,186,045	572,975,545	87.8119

The items in the agenda during the regular annual stockholders' meeting last July 10, 2025, and which were submitted for the consideration and approval by the taking votes, specifically, the procedure thereof; the questions, answers and/or discussions made; the results of votes; and the resolutions reached were all recorded in the minutes of the proceedings, hereto attached as Annex "G" and made as integral part hereof. The inquiries and discussions made during the regular annual stockholders' meeting were not material but mere formal clarifications that do not affect the substantial rights of equity stockholders. While the voting results of each item in the agenda show the unanimous vote and approval thereof.

INCORPORATION BY REFERENCE

Incorporated hereto, by reference as **Annex "A"** is the management report; **Annex "B"** is the cases where Mr. Oliverio L. Laperal, Jr. and Mr. Desiderio L Laperal, represents the Corporation named as party-litigant outside of or extraneous to Imperial Resources, Incorporated; **Annex "C"** is the resume of Directors and Officers; **Annex "D"** is the Quaterly Report 17-Q as of March 31, 2026 and **Annex "E"** is 2025 Audited Consolidated Financial Statements as at December 31, 2025 of Imperial Resources Incorporated, **Annex "F"** is the Certification of Independent Directors and **Annex "G"** Minutes of Annual Stockholders' Meeting July 10, 2025.

PART II

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on June 01, 2026. The Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

IMPERIAL RESOURCES INCORPORATED
Issuer

June 4, 2026
Date

JESUS VICENTE B. CAPELLAN
Corporate Secretary

BUSINESS AND GENERAL INFORMATION PART 1 - BUSINESS

(A) Description of Business –

1. Business Development

On September 5, 1969, Imperial Resources, Incorporated (the Company), was incorporated in the Philippines, with the principal purpose of engaging in the mining and oil exploration business. Its capitalization was Php 25 million with P0.01 par value per share or 2.5 billion common shares of stock. In 1970 the shares of the Company were listed in the Philippine Stock Exchange. Pursuing its primary purpose, the Company conducted an onshore drilling in Badian, Cebu. This did not result to a discovery of gas and oil. Thereafter, the Company participated in twelve (12) offshore oil drilling in the South Sulu Sea and Reed Bank area in partnership with three (3) internationally-renowned oil companies despite its limited resources. Again, there was no commercial oil or gas discovery in all its offshore drillings. With depleted financial resources the company decided to close its mining and oil exploration projects.

In 2000, the Company amended its articles of incorporation making the business of Information Technology (IT) as its primary purpose and the mining and oil exploration as one of its secondary purposes. In line with this, the Company established Philippine Cyber College Corporation (PCC) as its 99 % per cent – owned subsidiary which operated two (2) I.T. learning centers, one in Baguio City and another at Malolos City, Bulacan until the end of school year 2007-2008.

In 2007 after the approval by the Board of Directors, the stockholders and, finally, the SEC, the change of the par value of the Company's common shares of stock from Php0.01 to Php5.00 was implemented in the Philippine Stock Exchange.

In 2009 after closing the two (2) I.T. learning centers, PCC opened a techno-vocational training project in Pasay City to train students to become world class welders. However, it operated only until the latter part of 2009.

A Memorandum of Agreement was executed in January, 2009 by and between the Company and P.T. Aspal Buton Nasional, an Indonesian company, which owns about 2,900 hectares of Asphalt Mining Concession in Sulawesi, Indonesia, whereby the Company was given exclusive rights to explore and evaluate the mining property and subsequently exploit, develop and bring it to commercial production. Series of geophysical and geologic studies and surveys were conducted in the ensuing years as basis for the preparation of a Project Feasibility Report.

On March 29, 2011, the Board of Directors held a special meeting wherein the change of par value of the shares of stock of the Company from Five Pesos (Php5.00) to one Peso (Php1.00) per share was approved. This was

subsequently ratified by the stockholders during the regular annual stockholders' meeting held on July 14, 2011.

In 2015 the Company received proposals to venture into silica sand mining to address the demand of companies in the manufacture of flat glass and glass bottles. A project cost study was presented to the Company for analysis, discussion, evaluation and consideration. Thereupon, initial findings show that the project is financially viable and promising.

The Company, however, after making further studies on the sustainability of the project owing to the latest environmental policies, regulations and pronouncements made by the various government agencies on mining and the local peace and order situation in the proposed silica sand mining sites, the management has decided to keep the project on hold temporarily.

On March 28, 2016, the Board of Directors held a special meeting wherein the declassification of the shares of stock of the Parent Entity from Common Class 'A" and Class "B" to Common Stock voting shares was approved. This was subsequently confirmed and ratified by the stockholders during the regular annual stockholders' meeting held on July 14, 2016.

The change of par value and the declassification of the Class "A" and Class "B" shares of stock into Common stock were approved by the SEC on February 10, 2017 and PSE implemented the said changes on February 22, 2017.

The Company since its incorporation has never experienced bankruptcy, receivership or similar proceeding because the majority stockholders have committed to support financially the Company's operations through payments of their unpaid subscription even in the absence of a formal call by the Board of Directors and cash advances as needed. There are no new material classification, merger, or purchase or sale of a significant amount of assets not in the ordinary course of business.

2. BUSINESS OF ISSUER

a. Mining

a.1. Asphalt

In 2009 the Indonesian partners obtained the services of Jurusan Teknik Pertambangan, Fakultas Teknologi Mineral, Universitas Pembangun Nasional "Veteran" Yogyakarta to conduct a geophysic and geophysical (Electric Resistivity) study of the Buton asphalt in Wakaokili and Waangu-Angu, Pasarwajo, Kabupaten Buton. The geophysical interpretation data was necessary to determine the site for drilling exploration and depth and thickness of asphalt bearing rock. The cost of the survey amounting to US $100,000 was included and capitalized as E&E Assets.

The scope of work done involved geologic survey, geophysical resistivity measurement and rock bearing asphalt interpretation, resource estimation with inferred classification and determination of drilling exploration area.

The preparation of work included licensing, collection of secondary date and literature, preparation of equipment and materials, establishment of team work and preliminary field survey. Reconnaissance in the areas was done to assess the geophysical, social and cultural conditions. Geologic mapping of the existence of asphalt was done. Electric resistivity or electrical geophysic was used to measure the underground conditions which utilized differences in electric potential to identify subsurface material.

The final report on the Electric Resistivity Survey showed the following:

1. Asphalt resources or reserves in Waangu-Angu Block with inferred resources classification of 39,083,000 m3.

2. Asphalt resources or reserves in Wakaokili Block with inferred resources classification of 16,963,000 m3

3. Recommendations:
   a. To get exact resources or reserves the electric resistivity survey done should be followed by detail drilling exploration
   b. Drilling area recommended was the Western part of Waangu-Angu Concession and Southern part of Wakaokili Concession with the limit equal to the bottom deep of sandstone layer.

Additional geological and geophysical surveys for the second phase of the Exploration Program entailed additional pouring of funds in the project during 2010, which were capitalized as Exploration and Evaluation Asset.

In August, 2010 the Company furnished a few samples of rocks gathered from the mining property to Toyo-Union Co. Ltd. (TUCL) and expressed an intention to have a business association with them, subject to some terms and conditions, including confidentiality and exclusivity rights reserved for the Company. This was firmed up through a Memorandum of Agreement signed on September 13, 2010. During 2011, the engineers and geologists of TUCL together with the engineers from Aspal Buton Nasional were able to go to the asphalt concession areas and collected about sixty (60) kilos of samples and TUCL were able to bring the samples to Tokyo. However, this project with TUCL did not prosper.

During the second half of 2011, the two asphalt concessions were expiring. However, because of the significant geophysical electric resistivity survey arranged and conducted by Aspal Buton Nasional, and funded by the Company, the Company decided to extend the validity of the asphalt concessions. After further geophysic activities and meeting all requirements, with the funding from the Company, the Indonesian partners were able to secure the approval for extension of the exploration concessions for additional period of two (2) years. Again, in 2013, the Company financed the cost of another extension of the lease of its mining concessions.

In 2011, the Company has spent US$220,000 for additional geologic works/studies needed for the preparation of the project feasibility report and environmental impact report required pending conversion of PT Aspal Buton Nasional Exploration permit to Development and Exploitation permit.

In 2012, the Company spent US$120,000 for more geological works/studies. The Project Feasibility Report and Environmental Impact Report written in Bahasa Indonesia upon completion were submitted to the Indonesian authorities for approval. The Company funded the translation of the Project Feasibility Report and Environmental Impact Report from Bahasa Indonesia to English in 2012. These English version reports would be used by the Company in looking for and negotiating with foreign investors for possible tie-up or capital funding considering that this project entails a huge capital outlay.

In April and November of 2013, the Company remitted to Mr. Eddie Surohadi a total of US$120,000 to cover the cost of initial development and production of the metal project.

In 2014, the Company spent US$50,000 for obtaining informal approval for exploitation concession of the 1,722 hectares located at Waangu-Angu area and US$ 52,000 for the preparation of the required technical reports on post-production program to restore most of the mined-in areas to usable condition.

Forming as integral parts of the mining explorations activities and based on the results of the review and evaluation, PT Aspal Buton Nasional was qualified to be given approval on the increase in activity under the *Production Operation Mining Agreement.* Pursuant thereto, a *Decree of the Regent of Buton*, identified as No. 333 Year 2014 and No. 334 Year 2014, covered under the title of *"Improved Operating License Agreement Mining Exploration Permits Mining Operations into Production PT. ASPAL BUTON NASIONAL"* were issued on April 28, 2014. The region wide *Mining Permit* under Decree 333 Year 2014 covers 218.5 hectares while Decree No. 334 Year 2014 covers 1,722 hectares both located at Waangu-Angu, Pasarwajo, District of Buton, province of Southeast Sulawesi.

The Mining Permit Term is for twenty (20) years: two (2) years for Stage Construction and eighteen (18) years for Stage Production and can be extended twice (2x), respectively for ten (10) years. This decree enumerates all the laws embodying the terms, conditions and national and local government regulations to be implemented in the furtherance of the mining production activities. Extraction of mining resources potentially damage the environment, therefore, there is a need to control and keep the damages to a minimum level. Good mining practices, post-mine land use, community developments in cooperation with regional and local communities and support poverty alleviation programs are some salient points in the decree. These are covered under the laws on the Protection and Environmental Management, Environmental Impact Analysis Understanding, Forest Arrangement and Preparation of Forest Management Plan and Forest Utilization. Hence, there is a need for integrated sustainability to control and keep the damages to a minimum level on the extraction of mineral resources which may potentially damage the environment.

Proceeding to the production operation stage during the early part of 2015 in compliance with governmental laws especially on Environmental management Mr. Eddy Surohadi, for the account of PT Aspal Buton and PT Indominas, presented a budget to cover the cost of technical and tax

expenses on the CNC (Clean and Clear Certificate) IUP Production Program for the 1,722 hectares. The total estimated expenses amounting to UD$ 99,250 were presented as follows:

1.	Reclamation Guarantee	US$ 30,000 - 4 Has @ 7,500/Ha.
2.	Mine Closure Guarantee	US$ 30,000 - 4 Has @ 7,500/Ha.
3.	Earth and Building Tax	950 -
4.	Annual Fee Tax	550
5.	Work Plan and Budget Cost	5,000
6.	Annual Work Plan and Environment Engineering	5,000
7.	Report on Implementation of the Management And Environment Monitoring	2,500
8.	Construction and Installation of the mining area 1,722 Ha. Boundary	22,000
9.	Miscellaneous expenses	3,250
	TOTAL	US$ 99,250

The Company remitted the amount of US$99,250.00 to Mr. Eddy Surohadi for the account of PT Aspal Buton and PT Indominas to cover the said budget and expenses.

In the third quarter of 2015, Mr. Oliverio G. Laperal, Sr. then the incumbent President and Chief Executive Officer, suffered a stroke that incapacitated him. Consequently, all funding requirements for the Indonesian project were temporarily suspended. From the start of the Project, it was only Mr. Oliverio G. Laperal, Sr. who had been actively involved with the Indonesian partners. The Indonesian partners directly reported to Mr. Laperal about the status, progress, development of the project including the financial and technical requirements and disposition of budgets released to them. From the time Mr. Oliverio Laperal, Sr. got sick and until his death in 2018 there was no formal report submitted to the Company about the status of the project. It was learned however that the Indonesian partners have been continuously looking for foreign partners to invest in the project by way of joint venture agreements because of its viability.

On March 16, 2017, in the special meeting of the Board of Directors, it was resolved that while the Company was proceeding with caution and at the same time re-evaluating its Indonesian mining project owing to the precipitous fall in the world price of crude, the Company was inclined to pursue the said project especially so that the Indonesian partners have been continuously looking for foreign partners to invest capital needed.

A preliminary study and evaluation was made on silica mineral mining venture as priorly been proposed and discussed based on new government laws and policies pertaining to the mining industry. Management deemed prudent not to pursue the project. Towards this end, the Laperal family through LTC Real Estate Corporation committed to support and fund the said projects.

a.2. Precious Metals

On January 17, 2010, the Company signed a Memorandum of Agreement with PT. Indominas, an Indonesian Company duly organized and existing under the laws of the Republic of Indonesia, with principal office address at JL. Klampis Anom II/29, Surabaya, Indonesia (referred to as Claimowners). After January 17, 2010, the Claimowners expect to be granted Mining Rights by the government state corporation Perusahaan Daerah (Perusda) Pd. Utama Sultra of South East Sulawesi of the Republic of Indonesia, covering an approximate 4,779 hectares mining exploration concession at South East Sulawesi Province, of the Republic of Indonesia. The Claim owners granted the Company the exclusive rights to do preliminary studies before choosing the area to be developed. If the results of the studies are favorable, the Company shall pay another US$170,000 upon approval of the conversion of the selected areas into exploration concession. Within thirty (30) days after the Claimowners shall have obtained and delivered all government approvals, permits, extensions and licenses, the Company at its sole expense shall start geological and geophysical surveys on the mining concessions for the purpose of determining the potentials for commercial operations, development and exploitation of the above-mentioned mining concessions. In 2010, preliminary studies on the said area have started. The preliminary geologic survey on the proposed subject area indicated possible deposits. Outside and a bit far from the subject area there were many gold panners.

The former President, Mr. Oliverio G. Laperal Sr. requested Mr. Eddy Surohadi to submit an updated study of the project and further evaluation report of the peace and order situation in the areas covered by the Indonesian partners. However, up to the present no report or communication has been received by the company.

b. Information Technology (IT) Related Business

b.1. I.T. Education

b.1.a. Description

PCC's IT learning centers in Baguio City (PCC-Baguio) and Malolos, Bulacan (PCC- Malolos) started operations in 2001. These two learning centers were accredited with Technical Education and Skills Development Authority (TESDA). The methodologies and teaching curriculum of the two learning centers were patterned after Singapore's "higher educational system for Information Technology" which was prepared by Tata Conglomerate Group (TATA) from India. PCC's educational system was drawn under the supervision of TATA and the University of Sto. Tomas (UST).

PCC-Baguio and PCC-Malolos gained accreditation to offer courses for CISCO, Microsoft, Oracle and Sun Microsystem. Relative to its accreditation with CISCO, both centers entered into a CISCO Networking Academy "Local Academy Agreement" with UST, a CISCO Regional Academy. PCC-Malolos was named one of the two best CISCO local academies in the Philippines in 2005.

This agreement was not renewed after the two centers temporarily suspended their operations. The other courses offered were Web Developer, Data Developer, Server Back-End Management, Business Automation Provider, E-Commerce Programming and Network Management and Administration.

The Company's awareness of its social responsibility was shown by PCC-Malolos working in partnership with the Provincial Government of Malolos, Bulacan through it's "Joint Livelihood Project" by offering its IT courses to less fortunate students from Bulacan at a much lower cost. All students who graduated under this program gained employment. Unfortunately, this program was terminated by the Bulacan government in May, 2007.

During the years that the two learning centers operated, they produced highly competent graduates who were able to land good paying jobs locally and abroad. Because of the continuous losses incurred by the two learning centers, their operations were suspended at the end of school year 2007-2008.

c. Technical-Vocational Education, Training and Assessment Project

c.1.a Description

In March 2008, PCC put up training facility in Pasay City focused on Applied Metals Engineering Skills requirements starting with the development of First Class welders in Submerged Metal Arc Welding (SMAW) or stick welding; Tungsten Inert Gas Welding (TIG also called Gas Tungsten Arc Welding or GTAW) for stainless steel, aluminum and other special alloys; and Gas Metal Arc Welding (GMAW) for continuous welds. In the following year after this training facility secured its accreditation with Technical Education and Skills Development Authority (TESDA) it started operating.

During 2009 there were about a hundred students under the TESDA PGMA Scholarship Program who successfully passed the independent TESDA-approved Assessor's assessment program. Most of them gained employment abroad through TESDA. About twenty-one (21) of them were recommended by TESDA for employment with Negros Navigation. TESDA temporarily cut its PGMA Scholarship Program when funds were depleted. Since this was the mainstay of welding schools for sustaining their operations and PCC's marketing efforts with shipping establishments and placement agencies did not bear fruit it was forced to suspend its operations. Management has finally decided to phase-off its Techno-Vocational Project. It has concentrated its financial resources on the development of its Indonesian mining project and will focus its efforts and resources on the more promising economic and financially lucrative Indonesian mining project.

The Group has no reported income since PCC suspended its operations in 2009.

On March 20, 2013, at the meeting of the Management Committee, wherein , all members who are also directors were present and representing

majority of the members of the Board of Directors unanimously resolved and approved the dormancy status of its Subsidiary (PCC) due to its non-operation since 2010 and because of the significant losses incurred by the Company.

The Parent Company has committed to continue providing financial support to (PCC) for its working capital and payment of all its debts when these fall due. Given the financial condition of PCC, the Parent Company does not demand immediate repayment of its advances.

In 2015, PCC entertained inquiries or proposals to lease its building in Baguio City. The management was hoping to have the building rented out in 2016 and was looking at rental income of about Thirty Five Thousand Pesos (P35,000) per month. Consequently, PCC changed its basis of accounting from liquidation basis to going-concern basis.

In 2016, an interested party proposed to rent the building to be used as its marketing office for Thirty Five Thousand Pesos (P35,000) per month. On March 16, 2017, at the special meeting of the Board of Directors, it was resolved that the Vice-Chairman and Vice-President, is authorized and empowered to negotiate, transact, conclude, execute and sign, for and in behalf of PCC, agreements or contracts for the lease of the property in Baguio as well as to deliver such necessary records, documents or papers pertinent to or in its implementation. It was resolved further that the same person is authorized and empowered to agree on the terms, conditions and stipulations, and the price of the lease, for the best interest of PCC. However, due to the change of marketing plans of the prospective lessee the lease agreement was not finalized. Early in 2018 and interested party made an offer to lease the building to be used as a primary school for Forty Thousand Pesos (P40,000) per month. However, the negotiation bogged down.

Despite the presence of a caretaker to prevent informal settlers to enter and use the building as their dwelling place and as additional deterrent management in 2013 decided to allow Philippine National Internal Affairs Services (PNPI-AS) to use a portion of the ground floor as its office for free. During the latter part of 2018 the PNP-IAS moved out of the property. In 2019, the management repaired and repainted the building in order to better attract potential lessees considering its good location.

In June 2020 management received a proposal from an educational institution to lease the Baguio property to set up a school for its mainstream learning and distant learning programs at Pesos: Seventy-Five Thousand (Php75,000) per month. The prospective lessee wanted a minimum of five-year lease contract. Because of the stringent and changing policies of Dep-Ed due to the protocols, standards and quarantine restrictions set up by DOH and other government agencies the negotiation did not prosper.

In January, 2021 another interested party submitted a proposal to lease the Baguio property for its planned bed and breakfast business at Pesos: Seventy-Five Thousand (Php 75,000) per month for two (2) years. Management evaluated the proposal including some conditions proposed by the lessee in line with the short and long-term effects of the COVID-19 pandemic on the business of the Company and the lessee. However, the

negotiation was overtaken by the surge of COVID-19 (Delta Variant) cases in the area and the lessee did not pursue.

On February 15, 2023, an inquiry was received from an officer of the Registry of Deeds of Baguio City asking whether the School Building of Philippine Cyber College Corp. in Baguio City is available for lease. After a brief discussion, the prospective lessee was then requested to submit its proposal(s) and/or Letter of Intent for the consideration of the Board. From there, the office has yet to receive the desired letter of firm interest to lease.

In March, 2023 PCCC received a proposal from an entity in the food industry business specializing on Korean cakes, pastries and bread to rent the former's Baguio City property for its expansion program in the area. The prospective lessee proposed a P100,000 per month rent for three (3) years with a five per cent (5%) increase every after two (2) years and payment of one (1) month deposit and two (2) months advance rent for a term of five (5) years with an option to renew. For its proposed building renovation, it submitted a site development plan, ground floor plan and second-storey plan. Management Studied and evaluated the proposal considering the prevailing market climate. However, no further negotiation took place.

The Parent Company and PCC are not holding any parent, trademark, copyright of franchise.

GOVERNMENTAL APPROVAL, REGULATIONS AND ENVIRONMENTAL LAWS

The Parent Company and PCC are committed to follow governmental laws and regulations governing the conduct of its operations. As of the date of this report, management is not aware of any existing or probable government regulation which has or will have a great impact on the business of the Group. There is no environmental or mining law in the Philippines that significantly affects the projects of the Company at present or in the near future, since it does not have approved mining claim in the country. Since the Company is still in the pre-development and pre-exploration stage, and its mining project is located in Indonesia, no material cost is likely to be incurred as regards this matter.

TRANSACTIONS WITH AND / OR DEPENDENCE ON RELATED PARTIES

The Group has not been totally dependent on any single or few suppliers of equipment and materials needed in its operations. Party related transactions of the Group are discussed in detail on Note 18 of the Notes to Consolidated Financial Statements.

COMPANY OFFICE STAFF

At the end of 2019 after the President and Vice President started receiving an allowance of P5,000/month and two (2) employees resigned the number of employees was eight (8) all under operations.

Because of the COVID-19 pandemic one (1) employee retired on August 31, 2020 leaving seven (7) employees as of December 31, 2020. Management hired an accounting assistant in May, 2021 as replacement. As of the end of

2022, 2023 and 2024 there were eight (8) employees. During 2025 two (2) employees resigned leaving six (6) employees as of December 31, 2025.

The Company's regular employees are entitled to 13th month pay, SSS, PHIC and Pag- Ibig fund benefits including monetized rice subsidy, medical and dental benefits depending upon their length of service and separation pay as provided for by law.

Except for a non-contributory retirement pay benefit computed according to the requirements of R.A. No. 7641 known as "Retirement Pay Law" there are no profit-sharing benefits, long-term benefits, share-based payments and other post-employment benefits.

The President and Vice-President agreed to forego their retirement benefits as a way of helping financially the company. As regards retirement benefits for the other employees the Company has applied PAS 19 (as amended-June, 2011). This is further discussed in Note of the Notes to Consolidated Financial Statements.

The Company has been giving Two Thousand Pesos (P2,000) per month per, employee since September, 2020, as additional benefit to cover increase in the cost of living and transportation expenses due to COVID-19 Pandemic and lately the Russia-Ukraine war. This benefit being temporary in nature management has discontinued granting this benefit since October 2023 because the business climate improved and the threat of COVID-19 Pandemic has been minimized. However, management decided to grant an employee benefit *De minimis* as monetized rice subsidy in the amount of Two Thousand pesos per month starting in October 2023.

The Company's members of its Board and executives as well as regular employees are encouraged to attend accounting, tax and management seminars, conferences and other professional and business training programs offered by the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) and other government and private entities to enhance their skills and abilities in the performance of their assigned tasks and to be updated on policies, rules and regulations promulgated by various regulatory and governing bodies like BIR, SEC, PSE, etc. at the expense of the Company. All Board Members have been attending the Corporate Governance seminars as required by SEC. The Corporate Governance seminars attended by members of the board were the SEC-PSE Corporate Governance Forum (CG Forum) held on November 19, 2020 and November 19, 2021 via Zoom Webinar. On November 4, 2023 majority of the members of the board attended the 10th annual SEC-PSE corporate governance forum.

During the year 2024 the Company's Corporate Secretary attended a Webinar on Protecting the NPO Sector against ML/TF Risks thru Compliance and Transparency sponsored by the Securities and Exchange Commission. He also attended a seminar on ISSB Applying the IFRS Sustainability Disclosure Standard sponsored by the Philippine Stock Exchange. Employees of the accounting department attended seminars sponsored by Home Development Mutual fund (Pagibig) Fund (HDMF)

regarding updates on reporting procedures. They also attended seminars sponsored by the Bureau of Internal Revenue (BIR) regarding the implementation of various Revenue Memorandum Orders circulars passed during the year. On November 21, 2025 five (5) members of the board attended the 12th Securities and Exchange Commission Corporate Governance Forum.

There is no company union, consequently, there is no collective bargaining agreement.

MAJOR RISKS

The Group does not have a Risk Management Committee which is not practicable at its current operational set up. Risk Management is the responsibility of the Board of Directors. Management has adopted sound accounting and auditing policies and measures in order to preserve its financial assets and fully maximize effectively their usage and sees to it that these are implemented and monitored. When circumstances warrant management formulates or update its polices to align with the demands of volatile business climate and ever-changing government economic policies, laws and regulations.

Cash and cash equivalents are deposited with stable and reputable banks. Placements normally have 35-day maturities, thereby, reducing the risk of change in value. The Group is not engaged in the trading of financial assets for speculative purposes. Presently, its source of cash comes primarily from cash advances from major stockholders and the payments of major stockholders of their subscription payables. Because of the commitment given by the major stockholders to continue supporting the financial operations of the Company by paying their subscription payables even in the absence of a formal call by the Board of Directors, or extending cash advances to the Company, exposure to liquidity risk is minimized.

The Company does not have any loans or notes payable, hence, it is not exposed to the risk of changing market interest rates. Furthermore, its cash and cash equivalents have fixed interest rates. The Company maintains foreign currency accounts to defray its mining pre-development costs, and is, therefore, exposed to currency risk. The Company has no material exposure to credit risks from outsiders.

Its Financial Assets are not used for collateral or other credit enhancement.

A more detailed analysis and discussion of the Group's Financial Assets in relation to financial risks such as credit risk, liquidity risk and market risk are presented in Note 6 of the Notes to the Consolidated Financial Statements.

OTHER RISKS

1. Climate Change

Many years back typhoon "Ondoy" caused a very destructive flooding in Metro Manila. The Company's office equipment, furniture and fixture, vehicles and some office documents and accounting records were destroyed during the said flood. This kind of risk was never anticipated by management. In 2010, the Company undertook preventive measures to avoid destruction of its assets and records in case another catastrophe of that magnitude occurs. In the middle of 2011, the Company's office in Makati moved to a flood-free location. Also the Company was able to lease additional space for its Quezon City office to house some of its records and files.

In 2015 its Makati office transferred to a much better location at Barangay Bel-Air, Makati City.

This experience made the Company more aware of the manifestations of climate change wherein temperatures are rising, heatwaves, erratic rainfall patterns, drought, flood, typhoon and storms. These are the foremost considerations in evaluating mining projects being offered to the company and other business opportunities presented. Understanding and identifying the impacts, flow and patterns of climate changes in relation to the ecosystem and biodiversity and analyzing and evaluating the risks related to climate changes would put in place management responses and strategic planning.

Some of the strategic responses to climate change being implemented at the office are recycling and waste disposal management including water conservation. The use of secure online transactions have been encouraged to minimize the use of paper. The Company has been adopting cost effective measures like preventive maintenance of its air-conditioning units and vehicles, using energy-efficient lighting fixtures and turning off of computers and other devices when not in use. The use of motorcycles by company messengers instead of company vehicles has been encouraged to lessen gasoline expenses and to cut down carbon emissions. Recycling of paper and other supplies have been the norm in the office. With all these initiatives taken by the Company it has contributed in mitigating the effects of global warming and enhancing the physical and natural environment.

In June, 2016 the building where the Company's Makati office was situated was partially destroyed by fire. Some office files were water-damaged. The lessor finished the repair and renovation of the partially damaged building including the Company office in 2017. The following year the Company moved its office to a more spacious room in the same building at a much higher rental cost.

The Annual Sustainability Report being submitted with SEC serves as guide for management in promulgating policies for risk management and evaluating the effects of the policies on the business operations.

Management is aware of the following risks that the Company will face in the future as regards its mining project:

1. Mining metals and non-metals is essentially risky and expensive and faced with multiple problems.
2. The prices of commodities are always subject to fluctuations.
3. All governments change its heads and regulations are subject to unpredictable changes and government laws and regulatory policies and corporate governance poses hazards to plan, execute and deliver on long-term projects.
4. The global weather is unpredictable because of climate change
5. Many governments are demanding larger share of the profits. Higher taxes and rents are seen as management problems.
6. Terms of contracts may be subjected to unpredictable changes.

Management's Responses and Outlook

1. The Company's main goal is to explore for less risky exploration and exploitation minerals.
2. Shorten exploration period and look for the most economical ways to explore and conduct the latest geological and geophysical techniques to minimize risks of exploration.
3. Management will engage experts to utilize proven hedge and financial initiatives to mitigate and minimize the inherent risks of the volatility of commodities.
4. The Group is aware of the importance of community welfare and community relationship.
5. Strict observance of COVID-19 Pandemic protocols to safeguard the health and well being of its employees and adopt measures to sustain business operations.

2. Corona Virus Disease (Covid-19) Pandemic

Impact of enhanced (ECQ) and moderate enhanced (MECQ) community quarantine on the operations of the company and its subsidiary

Immediately after the Government imposed the Enhanced Community Quarantine (ECQ) on March 15, 2020, management gave priority to the safety and well-being of its employees by temporarily stopping the operations of the Company. The quarantine entailed more expenses and difficulties for the employees to meet their daily needs and health issues. To allay the fears and anxieties of its employees facing uncertainties about their financial as well as health conditions one of the officers of the Company advanced the employees' 13th month pay and paid leave in full.

After two (2) months of lockdown on May 18, 2020 when the Modified Enhanced Community Quarantine (MECQ) was imposed the Company started operating again. The primary concern of the Company was how to the keep its employees fit to work, protect them from being afflicted with the COVID-19 virus and implementing the many government - imposed restrictions and guidelines.

The following actions were taken up by the Company in line with the prescribed procedures by the government to mitigate the negative effects of

the pandemic on its employees' mental well-being and physical and emotional health:

a. The Company provided its personnel with shuttle service to and from work every day and for some, sleeping quarters, TV and laundry area within the office premises. However, the shuttle service assistance was discontinued sometime in 2022.
b. Providing facial masks, face shields, isopropyl alcohol, hand sanitizers and or soap. The employees are obliged to wash/ sanitize their hands more often. Alcohol and sanitizers are provided to visitors upon entering the office.
c. Appropriate social distancing is made a protocol not only inside but outside of the workplace.
d. Communications are done mostly through electronic mail or telephone.
e. Frequent disinfection of the work place.
f. Company-paid mandatory Rapid test and swab test if necessary. Employees are urged to be vigilant always and to disclose their health problems or possible exposure of the virus including their families or other persons they had close contact with. Free medical check-up and testing when perceived symptoms of COVID-19 are experienced.
g. Providing Multi-vitamins, farm-fresh organic vegetables and fruits to strengthen the immune system of the employees.
h. The Company since September 2020 has granted a temporary COVID -19 related cash benefit to all employees at Pesos: Two Thousand (P2,000) per month per employee to help them cope with the rising cost of living, medical and transportation. This benefit will be discontinued as soon as the business condition improves at the discretion of management.
i. Continuous dissemination of information to the employees on how to protect themselves and their families and prevent the spread of COVID-19 and inculcating the high cost of treatment of COVID-19.
j. Management helped employees get into the vaccination program against COVID-19 in relation to the policies and programs implemented by the government. As of the end of December, 2022 most of its employees have been fully vaccinated.

In July, 2020 one employee was tested positive of COVID-19. Management ordered a one-week lockdown and disinfection of the whole work area. After a month of quarantine, he recovered. Being a senior citizen, he opted to retire.

When Metro Manila shifted from MECQ to GCQ the government relaxed the guidelines for public transportation to operate, hence, more public transportation became available. However, management decided to continue providing transportation facilities to its employees to lessen their exposure to COVID-19.

Management has adopted new technological enhancements like using various modes of remote communication such as teleconferencing,

videoconferencing and electronic mail system. The new normal way of conducting staff meetings is videoconferencing. All the meetings of the Board of Directors including the annual stockholders' meeting in 2021, 2022 and 2023 were held through videoconferencing. The members of the Board attended the PSE-SEC Corporate Governance Forum on July 10, 2020 and July 10, 2021 to keep abreast of the effects of the COVID-19 pandemic on the national economy and the people, risk management strategies, pursuit of corporate sustainability based on experiences from the pandemic and SEC regulatory updates. The members of the Board were enlightened about the importance of the sustainability reporting in mitigating various risks.

After studying, evaluating, and analyzing the Company's current office and work set-up and the nature of the work of the employees, management concluded that work-from-home mode of work is difficult to adopt. There are accounting activities and transactions doable only at the office. Employees lack computer equipment, inadequate internet connections at their homes, their home conditions are not suited for home-based work are some reasons why work-from-home cannot be adopted. The plan of management to adopt skeletal force to minimize cost was shelved because of limited manpower.

Because of the uncertainties, difficulties, challenges, changing government economic policies, and environmental and mining laws posed by the COVID-19 Pandemic, on-going projects discussions and negotiations regarding business prospects have been suspended.

At the start of 2022 the country was besieged by the surge of COVID-19 Omicron variant, a highly contagious but less severe than the Delta variant. This scenario derailed whatever short-term growth the economy experienced. It had a great impact on the operations of the Group especially on its work force. Renewal of business permits and filing of various BIR year-end reports are usually done in January of each year. Because of the Omicron variant surge the work scheduling at the office was disrupted by absences of employees. Banks observed lockdowns which affected business transactions. Preparation and audit of financial reports were hampered. The extension of deadlines by the concerned government agencies eased somewhat the management's fear of not meeting the deadlines with the incidental penalties and surcharges. Government's progressing vaccination program, imposition of stringent health protocols and its past experiences in combating the surge of the COVID-19 Pandemic helped reduce the COVID-19 Omicron variant cases.

The spill-over of the impact of the resurgence of COVID-19 Omicron from the first quarter of 2022 to the second quarter of 2022 contracted significantly the recovery of the Philippine economy. What aggravated the economic condition are the external uncertainties brought about by the continuing Ukraine-Russia conflict like the rising cost and supply disruption of fuel and food in the global market.

The extension by the Bureau of Internal Revenue (BIR) of the deadline for the filing of the income tax returns for the year ended December 31, 2021 to the end of the second quarter gave a big relief to the Company. During that time several employees got sick but recovered with an ample time to

work on the financial reports, coordinate and collaborate with its external auditors and file said reports and tax return on time. The Securities and Exchange Commission (SEC) followed suit in extending the deadline for the filing of the financial reports for the year ended December 31, 2021. The Company was able to file its quarterly reports and returns with SEC and BIR on time.

Management has continued giving its monthly COVID-19 related financial assistance of Pesos: Two Thousand (Php2,000.00) to its employees until October, 2023. In 2022 it suspended the transporting of its employees from home to office and back since the availability of transportation has gone back to normal levels. From time to time management provided farm fresh organic fruits and vegetables for the consumption of its employees.

(B) Description of Properties

As of December 31, 2025 the following are the properties of material value owned by the Group.

1. Investment Property - A parcel of land located at No. 1004 E. delos Santos Avenue, Quezon City, covered by Transfer Certificate of Title No. N-307207 of the Register of Deeds of Quezon City with an area of Five Thousand (5,000) Sq.M., more or less, issued under the name of Imperial Resources, Inc. was acquired in 2007 with a transfer value of Four Hundred Million Pesos (P400,000,000.00) as full payment for Thirty Four Million (34,000,000) Common Class "A" shares and Forty Six Million (46,000,000) Common Class "B" shares subscribed all at Five Pesos (P5.00) per share by Mr. Oliverio G. Laperal, Sr. This property is taken up as "Investment Property". The Company is in the process of opposing a request for reinstatement of *lis pendens* annotation with the Registry of Deeds of Quezon City with Reference No. 009783-10-000001. The Company's legal consultants confirmed that as an innocent purchaser for value of the land in question, cannot be prejudiced by *lis pendens* annotation that did not appear in the predecessor title of the land at the time of the transfer. Up to the date of this report, management has not received any communication with the Registry of Deeds and the *lis pendens* annotation has not been restored. There are informal settlers in the property. This property was appraised by Cuervo Appraisers, Inc., an SEC accredited appraiser. The appraisal value of this property as of December 31, 2023 is P932 Million. The appraisal value of the said property as of December 31, 2024 is P1,035 Billion, and P1.075 Billion as of December 31, 2025. In computing the market value of the appraised property as of December 31, 2024, the appraiser used as in the past the Market Approach. Included in the analysis of the market data is the traditional valuation technique called "stripping method". This method divides the property into several parcels of appropriate strips conforming to the typical depth influence in the area. For the year 2025 the same method was used to compute the market value.

2. School Building – In September, 2002, the school building constructed by Phil. Cyber College Corp. (PCC) for PCC Baguio Center was finished and inaugurated. The total cost amounted to Two

Million Two Hundred Thousand Pesos (P2,200,000.00). The building is now fully depreciated but is in rentable condition.

3. Welding machines and equipment needed for the Techno-Vocational Education Training and Assessment courses of PCC costing of about P1.4 million were acquired in 2008. Management planned to dispose these assets and has been looking for interested buyers. Last year there was an interested buyer of the commercial oxygen cylinders. However, the transaction was not consummated.

4. Transportation Equipment - A Toyota Innova acquired in 2009 at P 1,150,000.00. While it is fully depreciated it is still serviceable.

   All the above-mentioned properties are not mortgaged. The Group is not aware of any lien or encumbrance on any of them.

   The Group does not have any property under lease.

5. Exploration and Evaluation Asset account consists of:

   a. The exclusive mining rights of exploration, exploitation, development and operation of about 1,940 hectares of Mining Exploration Concession located at Buton Island, South East Sulawesi Province, Indonesia which the Company has acquired on January 30, 2009 from PT Aspal Buton Nasional by paying a signature bonus of US $150,000.00 or P7,090,500.00.
   b. The signature bonus amounting to P4,705,000.00 (US $100,000.00) paid by Imperial Resources Incorporated to PT. Indominas, an Indonesian Company, for the former to acquire other mining rights in Indonesia per memorandum of agreement executed on January 17, 2010 between the said parties.
   c. In 2015, the Company spent US$99,250.00 or P4,453,844.00 to cover the budget required for various technical and tax expenses on the CNC IUP Production Program for the coverage area of 1,722 hectares located at Waangu-Angu area.
   d. As of December 31, 2016 the accumulated cost of geophysical and geological works/studies amounted to P38,676,848.00 and the acquisition of rights to explore amounted to P11,795,500.00.
   e. There was no disbursement pertaining to the mining project from 2019 to 2023 so the amounts remain the same.
   f. Management decided to record impairment loss of about 33.33% or P16.8 million in 2022 and another P16.8 million in 2023 and P16.8 million in 2024 as approved by the board. As of December 31, 2025 this account is fully impaired.

      Management is still awaiting the technical, financial and developmental reports from its Indonesian partners especially on the current status of the Production Operations Mining Agreement issued by the Indonesian government on April 28, 2014. While this Mining Agreement has a term of twenty (20) years management is not certain as to its current status

whether it has expired for some reasons unknown to management or it can be renewed under government - prescribed conditions of Indonesia until it receives the requested report from its partners. Management cannot prepare a definite budget or developmental plan for it to continue its exploration activities until it receives the requested financial and technical reports needed.

Because of these factors including the Indonesian government's plan to halt importation of asphalt in 2024 and instead develop the Buton Island asphalt deposit, management has decided to impair the Exploration and Evaluation Asset within the period of three (3) years. Management believes that within the period of three (3) years it (1) shall have received all the technical, financial and developmental reports from its Indonesian partners, (2) management shall have studied, evaluated, analyzed and collaborated its Indonesian partners, (3) management shall have determined whether the project is commercially viable or not, (4) if it is viable it shall have come up with plans to finance the project including preliminary talks for possible joint-venture, (5) management shall have undertaken the courses of action decided upon, and (6) the Indonesian government as announced by its top government official in 2022, shall have started to aggressively develop Buton Island's asphalt deposit as a measure to stop importation of asphalt by 2024.

During the special meeting of the Board of Directors of the Company held on April 28, 2023 a resolution approving the impairment of the Exploration and Evaluation Assets and another resolution why the impairment is for a period of three (3) years in accordance with above stated reasons and factors was unanimously approved. Such resolution was implemented in 2022, 2023 and 2024. Currently, the Company is considering to defer its mining exploration with P.T. Aspal Buton and P.T. Indominas, in Buton Island and Waangu-Angu, Sulaweshi, Indonesia. Owing to the (i) countervailing duties or tariff taxes imposed by foreign States on crude gas and oil; (ii) precipitous fall in the price of crude gas and oil (iii) risk management about the peace and order in the prospective mining areas/sites; (iv) variability and precariousness in the conduct and development of geologic and geophysical (Electric Resistivity) surveys for commercial gas and oil exploration, drillings and discovery; (v) eventual expiration of the mining exploration concession/permit; (vi) restrictive and/or prohibited environmental impact mitigation measures and requirements; (vii) suspension of budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr., after a stroke and eventual demise on August 26, 2018; (viii) pending probate court proceedings for the administration, management, distribution and partition of the Eighty-Three point Seven One Four percent (83.714%) of the

total shares of the capital outstanding of Imperial Resources Incorporated issued in the name of Oliverio G. Laperal. Sr.; (ix) pending project assessment and financial report of Mr. Eddy Surohadi with documentary proofs in support of the various disbursements/expenses for the mining project as well as the status of the Production Operations Mining Agreement issued by the Indonesian government to P.T. Aspal Buton; and (x) ominous tensions among several foreign States as well as the rippling effect of the on-going wars between the States of Russia and Ukraine, Israel and Palestine and presently, the escalating war among Iran, Israel, and the United States.

There was no material acquisition or disposal of assets by the Group during 2025. The Company has not perfected any mining claims in the Philippines.

(C) Legal Proceedings

There are no legal proceedings pending or terminated during the fiscal year covered by this report, which directly concern or pertain to Imperial Resources Incorporated and Philippine Cyber College, Corp., hence, no information similar to that required by aforestated disclosure can be disclosed.

So far as is known to the registrant, there is no proceeding known or contemplated by government authorities or any other entity to be brought against it.

(D) Submission of Matters to a Vote of Security Holders

The Company did not submit during the 4th quarter of the fiscal year covered by this report to a vote by security holders, through the solicitation of proxies.

PART III – FINANCIAL INFORMATION

(A) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

1. Market Information

The shares of stock of Imperial Resources Incorporated (IMP) are traded in the Philippine Stock Exchange. Presented below are the quarterly market prices of the stocks of the Company in 2025 and 2024 as provided by the Market Data Department of the Philippine Stock-Exchange:

	2025	**1st QTR**	**2nd QTR**	**3rd QTR**	**4th QTR**
Common Stock	Par Value	1.00	1.00	1.00	1.00
	High	0.67	0.77	0.78	0.72
	Low	0.56	0.42	0.45	0.64

	Close	0.56	0.70	0.68	0.72

	2024	**1st QTR**	**2nd QTR**	**3rd QTR**	**4th QTR**
Common Stock	Par Value	1.00	1.00	1.00	1.00
	High	0.78	0.83	0.79	0.78
	Low	0.52	0.54	0.58	0.57
	Close	0.61	0.57	0.58	0.63

In 2025, the total volume of common shared traded was 2,453588. In 2024, the total volume traded was 1,687,165 shares. **In June 4, 2026, High is 0.85, the Low is 0.85 and the Close is 0.85 and the total volume of common shares traded was 8,000.**

2. Holders

Until February 10, 2017 the Company had two (2) classes of stock; both classes were identical in all aspects, except that:

> Class "A" shares may be issued and/or sold only to citizens of the Philippines or to corporations at least sixty percent (60%) of the capital stock of which is owned by citizens of the Philippines; and
>
> Class "B" shares may be issued and/or sold to any person or corporation irrespective of citizenship. *Provided*, that a stockholder who is a Filipino citizen holding Common Class "B" shares is entitled at any time to convert his Common Class "B" shares to Common Class "A" shares in the manner provided in the By-Laws.

On February 10, 2017 the SEC approved the declassification of the Common Class "A" and Class "B" shares into Common Stock of at least 60% of the common shares of stock shall be issued and/or sold only to citizens of the Philippines or to Corporations at least 60% of the capital stock of which is owned by the citizen of the Philippines.

The holders of Common Stock have the right to participate and vote in the regular annual stockholders' meeting have rights to dividends and are entitled to all proprietary right in relation to their stockholdings.

(a) The approximate number of holders of Common Stock as of May 31, 2026 is 1.585. There are about 1.666 stockholders owning 100 shares or more. The following is a list of the top twenty (20) stockholders as of May 31, 2026, submitted to us by our transfer agent, Professional Stock Transfer, Inc.

IMPERIAL RESOURCES INCORPORATED
TOP TWENTY (20) STOCKHOLDERS
AS OF MAY 31, 2026

	NAME OF STOCKHOLDER	TOTAL NUMBER OF SHARES	%
1.	Laperal, Sr., Oliverio G.	546,233,670	83.7140
2.	PCD Nominee	33,263,465	5.0978
	Filipino – 32,392,145		
	Non-Filipino – 871,320		
3.	LMI Holdings Corporation	21,904,500	3,3570
4.	Olondriz, Marino C.	2,411,095	0.3695
5.	Laperal, Desiderio L.	1,670,000	0.2559
6.	Laperal, Alexandra L.	1,660,000	0.2544
7.	Ganotisi, Filomeno	1,630,000	0.2498
8.	Laperal, Rosamaria L.	1,626,500	0.2493
9.	Concepcion, Regina L.	1,580,000	0.2421
	Laperal, Jr., Oliverio L.	1,580,000	0.2421
	Laperal, Victorina L.	1,580,000	0.2421
10.	LTC Real Estate Corporatio	1,047,375	0.1605
11.	Benjamin CO CA & Co., Inc.	1,009,755	0.1548
12.	Chiong & Co., Inc.	976,100	0.1496
13.	Investors Securities, Inc.	948,750	0.1454
14.	E. Santamaria & Co., Inc.	812,275	0.1245
15.	Anselmo Trinidad & Co. Inc.	797,875	0.1223
16.	Ansaldo Godinez & Co., Inc.	699,850	0.1073
17.	PHILSEC Investment Corporation	662,275	0.1015
18.	Dacillo, Nenita C.	638,000	0.0978
19.	Kui, John	605,620	0.0928
20.	Aquino, Antonio & Velmonte Sec.	573,250	0.0879

(b) As of May 31, 2026, 99.6621% are owned by Filipinos while 0.3379% are owned by other nationalities.

3. Dividends

The Company has never declared any dividend on any class of its common equity since its incorporation because it has not gone into commercial operations and, therefore, it does not have cash surplus earnings.

The Board of Directors of the Registrant has the unrestricted power to declare dividends out of the unrestricted earnings which shall be payable in cash, property or in stocks to all stockholders on the basis of outstanding stock held by them. Other than as are provided for in Section 43 of the Corporation Code, as exception to the retention of surplus earnings, the registrant has no agreement, stipulation or undertaking in favor of any bank, financial institution or any other entity or person, limiting its ability to pay dividends on common equity or that are likely to do so in the future.

4. Recent Sales of Unregistered Securities

For the year 2025, there was no sale of unregistered securities.

Exemption from Registration Claimed:

In its Resolution No. C.15, Series of 1998, the Securities and Exchange Commission upon letter petition filed by Imperial Resources Incorporated requesting that the issuance to LMI Holdings Corporation of Fifteen Billion (15,000,000,000) Common Class "A" (Par value per share P0.01) shall be exempted from the registration requirements of the Revised Securities Act., the Commission granted the request considering that the said securities are to be issued exclusively to an existing stockholder out of the increase in authorized capital stock approved by the Commission on August 5, 1997, and held that the issuance thereof, is an exempt transaction based on Section 6(a) (4) of the Revised Securities Act (now Sec. 10 1(e) of the Securities Regulation Code.

(B) Description of Registrant's Securities

1. Common Stock

(a) As of December 31, 2025 presented below is the capital stock structure of the Company:

	Common Stock No. of Shares	**Amount**
Authorized Capital	1,800,000,000	P1,800,000,000.00
Issued Outstanding	230,644,197	230,644,197.00
Subscribed and Partially Paid	421,855,803	421,855,803.00
Total	652,500,000	P652,500,000.00

(b) As of December 31, 2024.

	Common Stock No. of Shares	**Amount**
Authorized Capital	1,800,000,000	P1,800,000,000.00
Issued Outstanding	230,643,195	230,643,195.00
Subscribed and Partially Paid	421,856,805	421,856,805.00
Total	652,500,000	P652,500,000.00

(b) A further discussion of the Company's share capital is shown in Note 19 of the Consolidated Financial Statements as of December 31, 2025.

(c) By provision of the Articles of Incorporation, security holders are denied of their pre-emptive rights. All shares of stock are entitled to equal voting rights. Likewise, all shares of stock are entitled to the distribution of dividends, either in cash or stock dividend.

2. The Company has no stock options, warrants or rights, debt securities, securities subject to redemption or call, securities other than common equity and other securities, hence, the details being asked could not be discussed nor disclosed.

INTEGRATED ANNUAL CORPORATE GOVERNANCE

A. In relation to the implementation of the Code on Corporate Governance and the Company's duly adopted Manual on Corporate Governance, the Company is always reminded of its reportorial obligation which should be complied with by the responsible officers of the Company.

B. All material information about the Company which could adversely affect its viability or the interest of its stockholders and other stakeholders should be publicly and timely disclosed. Such information include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.

C. Disclosures are reported in the following manner:

1. For changes or updates *required* to be reported or disclosed under Section 17 of the Securities Regulation Code (SRC), the Company shall notify the Commission using *SEC Form 17-C* within five (5) calendar days from the occurrence of the reportable change to be signed by the duly authorized officer of the Company;
2. For changes or updates *not required* to be reported or disclosed under Section 17 of the Securities Regulation Code (SRC), the Company shall notify the Commission through an *advisement letter* stating the changes or updates made within five (5) days from the occurrence of the reportable change to be signed by the Corporate Secretary and Compliance Officer;
3. To facilitate the disclosure and to harmonize the corporate governance requirements of the Securities and Exchange Commission and the Philippine Stock Exchange, the Company shall submit an Integrated Annual Corporate Governance Report (I-ACGR) in the following manner:
    a. The Company shall submit four (4) copies of a fully accomplished I-ACGR on May 30 of the following year and every year thereafter;
    b. The I-ACGR shall cover all relevant information from January to December of the given year. At least one (1) complete copy of the I-ACGR filed with the Commission shall be duly notarized and shall bear original and manual signatures of the following required signatories: Chairman of the Board, Chief Executive Officer or President, all Independent Directors, Compliance Officer and Corporate Secretary;
    c. The I-ACGR, with accessible links, shall be posted on the Company's website within five (5) business days from submission to the SEC;

    The Company, however, is no longer required to file updates and changes on its I-ACGR within five (5) days from the occurrence of the reportorial change(s). Further, the Company is no longer required to file its Consolidated Changes in the ACGR within ten (10) days from the end of the year pursuant to SEC Memorandum Circular N0. 15, Series of 2017.

PART IV – FINANCIAL INFORMATION

A. Management's Discussion and Analysis (MD & A) or Plan of Operation

1. Plan of Operations

Mining and Asphalt

As earlier discussed under the subject: Business of Issuer – Asphalt found on page 5, in 2015 Company remitted to Mr. Eddy Surohadi for the account of P.T. Aspal Buton and P.T. Indominas the amount of US$99,250 to cover the budget for the various technical works, government taxes and fees, and other construction and engineering expenses to secure the necessary CNC (Clean and Clear) Certificate IUP Production Program for the coverage area of 1,722 hectares located at Waangu-Angu area. Since then the Company has not received any request for additional funding nor submitted status reports for the project from the Indonesian partners.

Management was able to establish communication with Mr. Eddy Surohadi of P.T. Aspal Buton and P. T. Indominas. In the letter management requested Mr. Surohadi to submit pertinent financial reports with corresponding documentary proofs support of the various disbursements/expenses incurred for the mining project and the status of the Production Operations Mining Agreement issued by the Indonesian government to P.T. Aspal Buton Nasional. Also, management requested Mr. Surohadi to make his project assessment report including his suggestions or available options for the Company under the present economic conditions both in Indonesia and in the Philippines in order to recover the entire exploration expense.

Currently all expenditures regarding the mining project are all classified under the Exploration and Evaluation Assets Account since the Company is still in the exploration and evaluation stages of the mineral resources. With the submission of supporting documents for the various expenditures, management will be able to definitely analyze, determine and classify them.

The status report of Mr. Surohadi regarding the Production Mining Agreement issued by the Indonesian government shall guide management to determine whether the Exploration and Evaluation assets will be assessed or classified for impairment. However, until now there has been no development as to the status report to be submitted to management.

While the Mining Permit term granted by the Indonesian government is for twenty (20) years, the suspension of the funding of and other budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr. after a stroke and subsequent demise in 2018, and by the incident of the Corona Virus Disease 2019 (COVID-19) Pandemic, there might have been government policies, laws, rules and regulations imposed by the Indonesian government affecting said mining permit.

Management received a reply from Mr. Surohadi wherein he stated that he will respond to the letter as soon as possible. Management is hopeful that

with the data on information to be disclosed by Mr. Surohadi, it can study extensively the financial aspects, evaluate and analyze the technical feasibility and commercial viability of the mining project, considering the very promising results of the Resistivity Geophysic Study.

After the communications with Mr. Eddy Surohadi has been established, management had been hopeful to have more discussions, meetings and fruitful collaboration with him before it can come up with a decision as to what courses of action to take regarding the mining project.

Towards the end of June, 2023 another follow-up letter was sent Mr. Surohadi by the then Vice-President, Mr. Desiderio L. Laperal through email. In Mr. Surohadi's reply he stated the following: *"We have the data, but need to meet you in person for us to explain the chronology in details. When do you have time to meet in Surabaya? We will try to manage the time when you have inform us prior of your planned schedule".* Because of conflict in schedules the planned trip to Surabaya, Indonesia by some officers of the company to meet with Mr. Eddy Surohadi regarding the issues concerning the Indonesian mining project did not materialize.

The stockholdings of the late Mr. Oliverio G. Laperal, Sr. represents Eighty three point seven on four per cent (83.714%) of the total shares of the capital outstanding and issued by the Company is, presently, the subject of probate proceedings. On December 2, 2021 Mr. Desiderio L. Laperal, the designated Administrator/Executor of the Estate of Mr. Oliverio G. Laperal, Sr., filed with the Regional Trial Court, Capital Judical Region, Branch 148, Makati City, Ad Cautelam Preliminary Inventory, of a true and complete inventory of the real and personal estate of the deceased which included the 546,233,670 shares of stock of the Company as of October 31, 2021 as mandated by the Court.

Executor/Administrator, Mr. Desiderio L. Laperal, filed the Executor's Accounting dated October 26, 2022 informing the Court of all banks wherein decedent Oliverio G. Laperal, Sr. had accounts and submitted the summary of Bank Balances as of March 2022.

Executor/Administrator, Mr. Desiderio L. Laperal, has continued to coordinate with the banks wherein decedent Oliverio G. Laperal, Sr. has accounts and prepared an updated Summary of Bank balances as of January, 2023.

Executor/Administrator, Mr. Desiderio L. Laperal, has filed an Urgent Omnibus Motion to set case for hearing on the following: (1) Expenses of administration; (2) For authority to withdraw from bank accounts for payment of Expenses of administration; and, (3) For authority to open a bank account for the Estate of Oliverio G. Laperal, Sr. and he was ordered to appear before the probate court on May 8, 2023.

Executor/Administrator, Mr. Desiderio L. Laperal, was able to make partial withdrawal from the bank deposits under the name of Oliverio G. Laperal, Sr,.

Executor/Administrator, Mr. Desiderio L. Laperal, discussed and coordinated with the lawyers regarding the procedures and requirements necessary to Sell/Dispose of some properties of the estate to fully pay its obligations. On May 30, 2025 an Omnibus Motion was filed by Desiderio Christopher L. Laperal, the Executor of the Estate of Oliverio G. Laperal, Sr., for (1) immediate Issuance of the Notice to Creditors; (2) Authority to Sell Remaining Properties to Pay Estate Obligations; and (3) Partial Distribution of Estate. The Notice to Creditors was issued by the court while the other matters were held in abeyance.

The probate court's approval of the administration, distribution and disposition of the estate of Mr. Oliverio G. Laperal, Sr. is another factor that management has to consider since the shares, being part of the Estate, will be distributed to the designated heirs.

Management submitted to the Board of Directors during the special board meeting held on April 13, 2023 for their consideration, ratification and approval of the plan of the Company, Imperial Resources Incorporated, to consider the impairment of its mining exploration and evaluation assets for Buton Island and Waangu-Angu, Sulawesi, Indonesia, for the period of three (3) years, owing to the – (i) precipitous fall in the price of crude gas and oil; (ii) risk management about the peace and order in the prospective mining areas/sites; (iii) variability and precariousness in the conduct and development of geologic and geophysical (Electric Resistivity) surveys for commercial gas and oil exploration, drillings and discovery; (iv) eventual expiration of the mining exploration concession/permit; (v) restrictive and/or prohibitive environmental impact mitigating measures and requirements; (vi) suspension of budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr., after a stroke and subsequent demise on August 26, 2018; (vii) pending probate court administration and management of the Eighty-Three point Seven One Four percent (83.714%) of the capital stock issued by Imperial Resources Incorporated in the name of Oliverio G. Laperal, Sr.; (viii) health, security, social, political, and economic impact of the Corona Virus Disease 2019 (COVID-19) Pandemic; and, (ix) ominous rippling effect of the war between States of Russia and Ukraine; and was ratified and approved.

It was reported that during the BNI Investor Daily Summit held in Jakarta on October 11, 2022 a top government official said that he will halt asphalt imports in 2024 and that everything must be supplied from Buton Island which held up to 662 Million tons of asphalt deposits enough to supply Indonesia's need for 120 years. Indonesia imported 95% of asphalt in 2021. Buton Island production produces only 100,000 tons of asphalt per year a far cry from the government's target of five (5) Million tons per year. This plan of the Indonesian government will surely drive economic recovery in the mining industry from the crisis brought about by the COVID-19 pandemic. With government policies, laws and regulations gears toward good mining practices, post mine land use, and community development whatever poverty-reduction and livelihood programs the local governments will be carried and sustained. Management saw this plan of the Indonesian government as very encouraging.

The Company studied and evaluated a project cost study submitted by a project proponent pertaining to silica sand quarrying and processing operation. The Company was aware of the increasing demand for flat glass and glass bottles by local glass manufacturing companies like San Miguel Corporation and Asia Brewery, Inc. Prospective silica sand mine sites were identified by the proponent. The project cost study showed a fairly good ROI. Management considered the impact of the latest environmental policies, regulations and pronouncements made by various government agencies on the feasibility and sustainability of the project. Another important factor considered by management was the peace and order situation in the prospective silica mining sites. Management has decided not to pursue this project.

Other Business Opportunities

In 2018 the President, Desiderio L. Laperal, travelled to Europe for preliminary discussions and observation of IT-based business applications related to remote sensing of marine and land resources, land-use, and community development. The President observed driver-less autonomous farm machinery, robotic steel fabrication and remote-controlled fisheries management systems. He was impressed with the Green Energy initiatives mandated by the European Union, which is meant to encourage more reliance on renewable power such as air turbines, hydro and solar. All of these applications and the downstream business opportunities are relevant to Imperial Resources Incorporated.

Mr. Desiderio Laperal travelled to Europe in June 2019 to meet with potential partners and continue discussions on investment opportunities in the Philippines. On that trip he accompanied two Italian businessmen to the Philippine Consul in Milan, Italy to confer with Consul General Irene Susan Natividad and Consul Mersole Mellejor. Mr. Laperal invited the two Italian businessmen to visit Manila in 2019. The date was subsequently reset to March 2020. The COVID-19 pandemic, however, caused the visit to be cancelled.

In June, 2022 on his first trip to Europe since the start of the COVID-19 Pandemic Mr. Desiderio l. Laperal, took the opportunity to re-establish contact with his business friends. However, due to communications problem the planned meeting did not materialize. Presently with less travel restrictions and easing of COVID protocols Mr. Laperal is hopeful that his contacts will continue their interest to visit the Philippines with the goal to establish a business with Imperial Resources Incorporated.

The Laperal family through its family-owned corporation, LTC Real Estate Corporation, will continue to support financially the operations of the Company.

2. Management's Discussion and Analysis

The Company has never been into commercial operations since its incorporation. In 2008, its revenues were derived from its subsidiary's (PCC) I.T. project. In 2009 its revenues were derived from its subsidiary's techo-vocational education and training project. Since 2010, except for interest

income earned unrealized gain on foreign exchange, and gain from investment revaluation (2013), no other income was reported because of the temporary suspension of PCC's Techno-Vocational Project. For several years the subsidiary (PCC) allowed the Philippine National Internal Affairs Service (Benguet) to use a portion of the building as its office for free to deter informal settlers from occupying the building. In 2018 the said agency vacated the place. The subsidiary (PCC) repaired and repainted the building during the middle part of 2019 to attract more prospective lessees. Currently the building is up for lease. As previously discussed the subsidiary, (PCC) has been receiving offers to lease its building in Baguio City.

The yearly losses shown in its financial reports are actually administrative expenses incurred. Presented below are the consolidated financial highlights of the Company as of December 31, 2025, 2024, and 2023.

	2025	2024	2023
Statement of Loss			
Revenues	40,075,739	103,118,570	42,979,638
Administrative Expenses	7,265,804	23,955,832	24,110,
Other Comprehensive Income (Loss)	831,254	182,962	153,538
Balance Sheet			
Total Current Assets	3,035,210	3,032,343	3,231,485
Non-Current Assets	1,077,553,416	1,036,140,989	949,953,459
Total Assets	1,080,588,626	1,039,173,332	953,184,944
Current Liabilities	3,435,758	2,913,386	2,719,386
Non-Current Liabilities	85,325,505	78,830,466	72,452,212
Total Liabilities	88,761,263	81,743,852	75,171,598
Equity	991,827,363	957,429,480	878,013,346
Total Liabilities and Equity	1,080,588,626	1,039,173,332	953,184,944

The following are the financial soundness indicators for 2025, 2024 and 2023.

	2025	2024	2023
(i) Current/Liquidity Ratios:			
Current Assets	3,035,210 = 0.88:1	3,032,343 =1.04:1	3,231,485= 1.19:1
Current Liabilities	3,435,758	2,913,386	2,719.386
(ii) Debt-to-Equity Ratios:			
Total Liabilities	88,761,263= 0.09:1	81,743,852=0.09:1	75,171,598=0.09:1
Equity	991,827,363	957,429,480	878,013,346
(iii) Solvency Ratios:			
Total Liabilities	88,761,263= 0.08:1	81,743,852=0.08:1	75,171,598=0.08:1
Total Assets	1,080,588,626	1,039,173,332	953,184,944
(iv) Asset-to-Equity Ratios:			
Total Assets	1,080,588,626=1.09:1	1,039,173,332=1.09:1	953,184,944=1.09:1
Equity	991,827,363	957,429,480	878,013,346

(v) Interest rate to coverage ratios (Earnings before interest and taxes/Interest expense):

This ratio is not applicable since the Company has no interest expense.

(vi) Profitability ratios (Net profit after taxes/Revenues before cost of services);

This ratio is not applicable since the Parent Equity and Subsidiary has no revenues.

A separate schedule showing the financial soundness indicators is also presented in the attachments to the Notes to Consolidated Financial Statements in compliance with SRC Rule 68, as amended.

By comparing the Consolidated Statements of Financial Position and Consolidated Statements of Comprehensive Income for the years 2025 and 2024, the following are the material (5% or more) changes and their causes:

Statements of Financial Position:

1. Trade and Other Receivables - Net

There was a decrease of almost 100% or P30 Thousand compared with the figure in 2024 because the salary loan extended to an employee was fully paid in 2025. In 2024 this account increased by about 71% or P12.4 Thousand due to the salary loan extended to an employee. The same in 2023 when this account increased by about 50.4% or P5.8 Thousand due to salary loan extended to an employee.

2. Prepayments

There was a decrease of about 23.7% or P4.7 Thousand in 2025 compared until the figure in 2024 because there were lesser expense accounts subjected to prepayment adjustments during the year. There was a decrease of about 14.3% or P3.3 Thousand in 2024 compared with the figure for 2023 because there were lesser expense accounts subjected to prepayment adjustments in 2024. In 2023 there was a decrease of about 6.6% or P1.6 Thousand compared with 2022 figure for the same reason.

3. Property and Equipment

In 2025 the decrease of about 40% or P833 compared with the figure in 2024 is the recorded depreciation for office equipment for the year. In 2024 the company bought office equipment amounting to P2 Thousand. There was no purchase of the same nature in 2023, hence, the 100% increase.

4. Financial assets at FVOCI

Under this account is the 800,000 Philippine Communication Satellite Corporation (Philcomsat) shares owned by the company. The listing of these shares under the Philippine Stock Exchange (PSE) had been suspended until the latter part of 2025. The company for the years 2022, 2023 and 2024 recorded a net value of P80,000 after setting up an allowance for loss of P720,000. When the suspension of the listing of Philcomsat shares was lifted it started trading in the market. The market price as of December 29, 2025 was P1.84 per share. This is the amount recorded in the books as of December 31, 2025 which is P1.472 Million, hence, the unrealized income of P1.392 Million or about 17.4% in 2025.

5. Accruals and Other Payables

In 2025 this account increased by about 17.9% or P522 Thousand primarily due to the setting up of accrued realty tax for 2025 and increase of professional fee of the external auditors. In 2024 this account increased by about 7.13% or P194 Thousand because of the same reason. In 2023 this account increased by about P927 Thousand or 51.7% also for the same reason.

6. Advances from Shareholders

In 2025 a stockholder advanced P6.4 Million to cover the administrative expenses of the company, hence, the 8.6% increase from the figure of 2024. In 2024 a stockholder advanced P6.34 million, hence, an increase of 9.29%. In 2023 a stockholder advanced P6.2 Million, hence, an increase by about 10%.

Statements of Comprehensive Income:

	Notes	2025	2024
OTHER INCOME			
Interest income	7, 8	**1,369**	7,294
Reversal of impairment loss on investment	10	**720,000**	-
Unrealized gain on foreign exchange, net	7, 19	**35,970**	111,276
Total Other Income		**757,339**	118,570
ADMINISTRATIVE EXPENSES	3, 21	**7,304,392**	23,931,673
LOSS BEFORE FAIR VALUE ADJUSTMENT AND INCOME TAX		**(6,547,053)**	(23,813,103)
FAIR VALUE ADJUSTMENTS			
Unrealized fair value gain from investment property	12	**40,000,000**	103,000,000
INCOME BEFORE INCOME TAX		**33,452,947**	79,186,897
INCOME TAX BENEFIT			
Current	15	-	117
Deferred	15	**(74,344)**	(70,551)
Income tax benefit		**(74,344)**	(70,434)
NET INCOME FOR THE YEAR		**33,527,291**	79,257,331
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified subsequently to profit or loss:			
Unrealized gain on financial assets at fair value through other comprehensive income	10	**672,000**	-
Remeasurements of retirement benefits payable, net of tax	3, 17	**159,254**	182,962
Total Other Comprehensive Income		**831,254**	182,962
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**34,358,545**	79,440,293

This account consists of interest income, unrealized gain/loss on the foreign exchange and reversal of impairment loss in investment. In 2025 the interest income account decreased by about 81.2% or P6 Thousand Pesos while the unrealized gain on foreign exchange decreased by about 67.7% or P75 Thousand compared with the figures in 2024 because of the weakening of the Peso vs. the US dollar. During the previous years while the listing of Philippine Communications Satellite Corporation's (Philcomsat) shares of stocks with the Philippine Stock Exchange (PSE) was suspended the books of the company carried an impairment loss of P720,000. During the latter part of 2025 the suspension by the PSE was lifted and the trading of the said shares started. The closing price of Philcomsat on December 29, 2025 was P1.84 per share. The 800,000 Philcomsat shares owned by the Company is then valued at P1.472 Million. The P70,000 impairment loss is eliminated and forms part of other income account in 2025. In 2024 there was an increase in the interest income earned of about 52.5% or P2.5 Thousand compared with the figure in 2023 while in 2023 there was an increase of about 27.4% or P1 Thousand compared with the figure in 2022. There was an unrealized gain on foreign exchange in 2024 of P111.3 Thousand while

there was an unrealized loss on foreign exchange in 2023 of P25 Thousand.

1.5 Fair Value Adjustment

In 2025 there was an increase in unrealized fair value gain from investment property amounting to P40 Million based on 2025 appraisal report. In 2024 there was an increase in unrealized fair value gain from investment property amounting to P60 Million based on the 2024 appraisal value of the property compared to the figure in 2023 while in 2023 there was an increase of P43 Million compared to the figure in 2022.

2. Administrative Expenses

2.1. SSS, Philhealth and HDMF Contribution

In 2025 this account increased by about 27.3% or P22 Thousand. This was brought about by the government's increase in the Pag-ibig premium contribution during the year. In addition there was an adjusting entry recorded to correct the Philhealth premium contributions during the year. In 2024 this account decreased by about 16.83% or P16 Thousand because one (1) employee filed for SSS retirement pension benefit. In 2023 this account increased by about 12% or P11 Thousand because of the government's increase in the premium contribution for SSS effective January, 2023.

2.1. Professional Fee

In 2025 this account increased by about 10.8% or P92 Thousand because of the increase in the professional fee of the external auditors. In 2024 this account increased by about 5.6% or P45 Thousand due to the increase in the professional fee of the Company's external auditors. In 2023 the Company's external auditors increased their professional fees by about 40% or P157 Thousand which caused in part the increase of this account by about 32.1% or P196 Thousand.

2.3. Retirement Benefit Expense

In 2025 this account increased by about 5.4% or P 15 Thousand because of the increase in the interest expense per actuarial report. In 2024 this account increased by about 12.32% or P31 Thousand because of the increase in the interest expense per actuarial report. In 2023 this account increased by about 135% or P144.7 Thousand because of the increase in the interest cost per actuarial report.

2.4. Repairs & Maintenance

This account includes repairs and maintenance of the vehicles being used by the Company officers and employees, computers, printers, xerox machine and other office equipment. Because of the repairs done on the company vehicles in 2024 these vehicles were in a better running condition in 2025, hence, the decrease of about 26.6% or about P56 Thousand pesos. In 2024 there was an increase of about 45.5% or P66 Thousand mostly incurred for the repairs and maintenance of company vehicles. In 2023 there was an increase of about 22.5% or P42.4 Thousand.

2.5. Supplies and other expenses

This account includes computer and office supplies, advertising and printing expenses. In 2025 this account decreased by about 25.3% or P10.5 Thousand because in 2024 the company incurred printing cost billed by the stock transfer agency. There was none of this nature incurred by the company in 2025. In 2024 this account increased by about 13.4% or P5 Thousand because of the reproduction expenses incurred by the subsidiary. None of this nature was incurred in 2023. In 2023 this account decreased by about 26.3% or P12 Thousand because of the decrease in the consumption of ink toner, reproduction and printing expenses and consumption of computer supplies. In 2022 this account decreased by about 17.89% or P9.9 Thousand due to the recycling of office paper and stationery.

2.6. Travel & Transportation

This account includes gasoline and oil and other traveling and transportation expenses. In 2025 the cost of gasoline increased causing the increase in this account by about 49.5% or P49 Thousand. In 2024 this account increased by about 12.25% or P11 Thousand because of the increase in the cost of gasoline and increase in the gasoline expenses incurred by company officers. This account decreased by about 25.8% or P30.6 Thousand in 2023 because of the decrease in messengerial activities during the year compared to that of 2022.

2.7. Miscellaneous expenses

This account also includes bank charges, attendance fee and out-of-pocket expenses of auditors. In 2025 this account increased by about 21.3% or P36 Thousand compared with the figure in 2024. The bulk of this increase came from the attendance fee paid during the stockholders' meeting in 2025. There was no attendance fee paid in 2024. Another factor that caused the increase is the out-of-pocket expenses billed by the external auditors to the company and its subsidiary. In 2024 this account decreased by about 36.5% pr P98 Thousand. There were expenses incurred in 2023 which were not incurred in 2024 attendance fee, expenses for preparation of SEC reports by the transfer agent, Christmas donations and incidental expenses in securing business permit. All these contributed to the decrease. In 2023 the bill for the out-of-pocket expenses of the auditors for the year 2022 was submitted to and paid by the Company in 2023. The bill for 2023 was taken up in 2023, thus contributing to the increase of about 86.6% or P126 thousand. In 2022 there was a decrease of about 26.3% or P50 Thousand because the out-of-pocket expenses of the auditors for 2022 was taken up in 2023 unlike in 2021 where those expenses were taken up in 2021.

2.8. Penalties & Surcharges

In 2025 the company incurred penalty charges in the amount of P55 for the late remittance of Pag-Ibig premium and loan payable. In 2024 the company did not incur any penalty charge, hence, the 100% increase in 2025. In 2023 there was an increase in this account by about 2,479.7% or P1.5 Thousand because the company incurred penalty charges for late remittance of withholding tax payable.

2.9. Depreciation

The company, in late 2024, purchased an office equipment. The increase in depreciation account in 2025 in the amount of P416 compared with 2024 figure is the depreciation of such equipment for 2025.

2.10. Utilities

This account includes light and water, communication and postage expenses. In 2025 there was an increase of about 6.2% or P32 Thousand because of this increase in the cost of gasoline and oil and also in the increase of the consumption of water and electricity during the year. The increase in the utilities account in 2024 over the figure in 2023 was immaterial. The decrease in 2023 over the figure in 2022 was also immaterial.

Material Event/s and Uncertainties

Other than the disclosures made in this report including those contained in the Notes to the Consolidated Financial Statements and its Subsidiary which includes some material events after balance sheet date, the Group has nothing to report on the following:

(i) Any known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way, except for the impact of COVID-19 pandemic which is discussed earlier the Russia-Ukraine war, and lately the Iran - Israel and US war.

(ii) Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of obligation. The Group is not in default or in breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments. Except for the advances made by a major stockholder the Group has no trade payables and there is no significant amount in its other payables that has not been paid within the stated terms. There is no identifiable material deficiency since the major stockholders are committed to fund the Group's operations.

(iii) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

(iv) Any other material commitments for capital expenditures.

(v) Any known trends, events or uncertainties that had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues, income from continuing operations, except for the effect of COVID-19 pandemic which is discussed earlier the Russia-Ukraine war and lately the Iran – Israel – US war

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

(vii) Any seasonal aspects that had a material effect on the financial condition or results of operations except for the effect of COVID-19 pandemic.

Company Vision

To become a self-sustaining and profitable Company for a long period of time by providing energy and energy-related products as its contributions to enhance energy supply in the country.

3. Changes in and Disagreements with the Group's accountants on Accounting and Financial Disclosure

There was no disagreement with the Group's external auditors on matters relating to accounting principles or practices or financial disclosures or auditing scope or procedures during the last three (3) fiscal years.

In December, 2010, the Group engaged the services of Villaruz, Villaruz & Co.,CPA's with office address at Unit 3, 9th Floor, Galleria Corporate Center, E. delos Santos Avenue Corner Ortigas Avenue, Quezon City to audit the financial statements of Imperial Resources Incorporated (Parent Entity) and Philippine Cyber College Corp. (Subsidiary) as at December 31, 2010. The said auditing firm audited the financial statements of the Parent Entity and its Subsidiary for the succeeding years. The Professional fees as agreed upon for the years 2025, 2024 and 2023 are presented below:

	PROFESSIONAL FEE	12% VALUE ADDED TAX	OUT OF POCKET EXPENSES	TOTAL
IMPERIAL RESOURCES, INC.				
2025	550,000.00	66,000.00	55,000.00	671,000.00
2024	530,000.00	63,600.00	53,000.00	646,600.00
2023	490,000.00	58,800.00	49,000.00	597,800.00
	1,570,000.00	188,400.00	157,000.00	1,915,400.00
PHILIPPINE CYB ER COLLEGE CORP.			-	
2024	50,000.00	6,000.00		56,000.00
2023	45,000.00	5,400.00	-	50,400.00
2022	35,000.00	4,200.00	-	39,200.00
	130,000.00	15,600.00	-	145,600.00
	1,700,000.00	**204,000.00**	**157,000.00**	**2,061.000.00**

For the Parent Entity an out of pocket expenses equivalent to 10% of the professional fee covering travel, meals, communication, printing, etc. shall be billed separately. For the Subsidiary actual out of pocket expenses incurred in the course of audit shall be billed separately.

For the years 2010 to 2013, inclusive, the signing partner was Mrs. Normita L. Villaruz and for the years 2014 to 2018 inclusive, the signing partner was Mr. George V. Villaruz. For the years 2019 to 2023, the signing partner was Mrs. Normita L. Villaruz. For the years 2024 and 2025 the signing partner is Mr. George V. Villaruz The Group will rotate the signing partner of its external auditors at least every five (5) years to comply with the requirements of SRC Rule 68 (3) (b) (iv).

EXTERNAL AUDIT FEE

1. The scope of the audit services rendered by Villaruz Villaruz & Cp., CPAs for the fiscal year 2025 and prior years is as follows:

a. Audit and examination of the statement of financial position as at December 31, 2025 and the related statements of comprehensive income, statements of equity and of cash flows as of and for the year ended December 31, 2025 of Imperial Resources Incorporated and its subsidiary, Philippine Cyber College Corp.
b. Submission of the proposed auditor's adjusting journal entries and review of the draft of the audited financial statements after the posting of the approved audit adjustments as of and for the year ended December 31, 2025 to come up with the Company's audited financial statements which shall be prepared by the Company's accountant and which will be reviewed by Villaruz Villaruz & Co., CAPs in compliance with SEC Memorandum No. 16 dated December 31, 2025;
c. Review of the annual income tax return which shall be prepared by the Company accountant base on the audited financial statements for the year ended December 31, 2025.

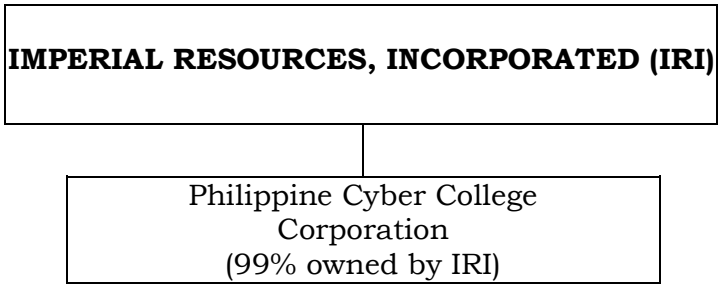
2. Aside from the above-mentioned audit service there were no other professional services rendered by Villaruz Villaruz & Co., CPAs for the fiscal year 2025 and prior years.

Financial Statements

The Company's audited Financial Statements and its Subsidiary as at December 31, 2025 and 2024, were approved and authorized for issuance by the Vice-President/CFO Mr. Desiderio L. Laperal during the meeting of the Board of Directors held on April 8, 2026, after the review and recommendation for approval by the Audit Committee. Also, the Audited Consolidated Financial Statements as at December 31, 2025 were approved and authorized for issuance by the Vice-President/CFO Mr. Desiderio L. Laperal during the meeting of the Board of Directors on April 8, 2026. The Financial Statements submitted with this report and incorporated in the 2025 Annual Report to security holders shall be presented to the stockholders during the annual stockholders' meeting for approval.

The Consolidated Cash Flow Statement for three (3) years, Notes to Financial Statements (Accounting Policies and Explanatory Notes), Representations as to the Audit, General Notes to Financial Statements including applicable supplementary schedules as required under Annex 68-J and 68-E of Rule 68, are also submitted with this report.

MAP OF THE CONGLOMERATE OR GROUP OF COMPANIES WITHIN WHICH THE REPORTING ENTITY BELONGS



PART V - EXHIBITS AND SCHEDULES

Exhibits and Reports

(a) 2025 MATTERS DISCLOSED FOR THE LAST 6 MONTHS A. July 10, 2025

Pursuant to a written notice, the regular annual stockholders meeting of Imperial Resources Incorporated was held Thursday, July 10, 2025, 10:00 o'clock in the morning, at Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila, and through [Google Zoom, Meeting I.D. 883 7592 9289 and Passcode: 882390].

Upon call to order by the Chairman, the Corporate Secretary reported on the proof of notice of the meeting.

The report of the Corporate Secretary was that copies of the Definitive Information Statement (SEC FORM 20-IS) containing the Written Notice of the regular annual stockholders' meeting of Imperial Resources Incorporated set for July 10, 2025, together with the Agenda of the meeting, were sent by remote communication facility, postal system and private courier service under his personal supervision, beginning on June 11, 2025, to all stockholders of record at their respective address as shown in the Books of the corporation.

The notice of the annual meeting was likewise published in the June 11, 2025, issues of the newspaper of general circulation, namely: the Philippine Star and Manila Bulletin.

The Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) were furnished and served with copies of the Notice and Agenda of the regular annual stockholders' meeting in SEC FORM 20-IS on June 20, 2025, through electronic mail (e-mail) and personal service.

The transfer agent of the corporation, Professional Stock Transfer, Inc. was notified of the regular annual stockholders' meeting on June 09, 2025, while the Auditor, Villaruz, Villaruz, & Co., CPAs, was served of the same notice on June 10, 2025.

Accordingly, the laws and the By-laws requiring the giving out of notices of the regular annual stockholders' meeting to all stockholders of record entitled to vote and other agencies of the government have been complied with.

Meanwhile, it is hereby reported and recorded that a certain individual by the name of Mr. Gerry Orbos attempted to join over the online platform. But he was turned down to participate in the annual meeting because, after verification, he appears not to be a stockholder, stock broker nor a registered proxy.

The Chairman then proceeded to the next item in the agenda which was the Declaration of Quorum.

The Corporate Secretary further reported that the Books of Imperial Resources Incorporated show that as of the Record Date, May 23, 2025, the number of shares outstanding and entitled to vote in the regular annual stockholders' meeting was Six Hundred Fifty-Two Million Five Hundred Thousand (652,500,000) common shares, with the par value of One Peso (Php1.00) per share.

Of said number of shares Five Hundred Seventy-Two Million Nine Hundred Seventy-Two Thousand Nine Hundred Seventy-Two Thousand Five Hundred Forty-Five (572,972,545) shares were present in person and those represented by holders of Secretary's Certificate and Special Power of Attorney and of unsolicited proxies.

Consequently, the number of shares present in person and by holders of Secretary's Certificate/Special Power of Attorney and unsolicited proxies in the said meeting was Eighty-Seven point Eighty-One One Nine percent (87.8119%) of the subscribed and outstanding capital entitled to vote.

There being a quorum, as ascertained by the Corporate Secretary, the annual meeting proceeded with the consideration of the other items in the agenda.

The approval of the Minutes of the Regular Annual Stockholders' Meeting held on July 10, 2025.

The approval of the Annual Report and Financial Statement as at December 31, 2025.

The election of the seven (7) members of the Board of Directors inclusive of two (2) Independent Directors.

The elected Board of Directors of Imperial Resources Incorporated were:

Atty. Horacio M. Pascual
Mr. Oliverio L. Laperal, Jr.
Mr. Desiderio L. Laperal
Atty. Jesus Vicente B. Capellan
Ms. Vilma B. Villanueva
Ms. Genelita G. Manandic - Independent Director
Dean Marciano G. Delson - Independent Director

The ratification and appointment of Independent Auditor of Imperial Resources Incorporated, with business address at Unit 3, Level 9 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila. and

The ratification of all acts, contracts, resolutions and proceedings of the Board of Directors and Corporate Officers acting within the scope of their

designated authority since July 11, 2024 Annual Stockholders' Meeting until July 10, 2025.

Thereafter, the meeting was adjourned.

Immediately after the annual stockholders' meeting, the organizational meeting of the Board of Directors of Imperial Resources Incorporated was held at Makati City, Metro Manila, July 10, 2025, Thursday, at 10:30 o'clock in the morning and via the remote communication [Google Zoom] ID No. 883 7592 9289; Passcode 882390]). The list of elected officers and committees of Imperial Resources Incorporated are, as follows:

Atty. Horacio M. Pascual	- Chairman
Mr. Oliverio L. Laperal, Jr.	- President/CEO
Mr. Desiderio L. Laperal	- Vice-President/CFO/Treasurer
Ms. Vilma B. Villanueva	- Chief Accounting Officer/Asst. Treasurer
Atty. Jesus Vicente B. Capellan	- Corporate Secretary
Dean Marciano G. Delson	- Independent Director
Ms. Genelita G. Manandic	- Independent Director

The following Committees are as follows:

Nomination Committee:

Jesus Vicente B. Capellan	- Chairman
Oliverio L. Laperal, Jr.	- Member
Genelita G. Manandic	- Member (Independent Director)

Compensation and Remuneration Committee:

Desiderio L. Laperal	- Chairman
Vilma B. Villanueva	- Member
Marciano G. Delson	- Member (Independent Director

Audit Committee:

Genelita G. Manandic	- Chairman
Desiderio L. Laperal	- Member
Horacio M. Pascual	- Member

A. List of Top 100 (Quarterly Report -PSE/SEC)
B. Public Ownership Report (Quarterly Report (PSE/SEC)
C. Report on Number of Shareholders (Monthly Report-PSE/SEC)
D. Foreign Ownership Report (Monthly Report-PSE/SEC)
E. July 10, 2025 – General Information Sheet (SEC/PSE)
F. Quarterly Report (17-Q-PSE/SEC)
G. 2025 SEC Form 17-A (Annual Report/PSE) yearly
H. 2025 Audited Financial Statements- yearly

The principles governing good Corporate Governance shall be adopted as stated in the manual and circular of the Securities and Exchange Commission.

The foregoing matters form part of the disclosure of that may be considered as material information and which may affect the value and trading of securities of Imperial Resources Incorporated.

UNDERTAKING

Upon written request of a stockholder, the Company undertakes to furnish a copy of SEC Form 17-A free of charge. Such written request shall be directed to the Office of the Corporate Secretary, Atty. Jesus Vicente B. Capellan with address at Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila 1209 or to No. 82-J 4th Street, Mariana, New Manila, Quezon City 1112.

IMPERIAL RESOURCES INCORPORATED
Issuer

JESUS VICENTE B. CAPELLAN
Corporate Secretary

ANNEX "B"

ITEM 1. CASES WHERE MR. OLIVERIO L. LAPERAL, JR., MR. DESIDERIO L. LAPERAL AND ATTY. JESUS VICENTE B. CAPELLAN ARE NAMED PARTY-LITIGANTS.

Case Title	Spouses Emilio & Cresencia Valdez, et al. vs. Spouses Oliverio G. Laperal and Emma L. Laperal, et al. Docketed as Civil Case No. 5236-R Regional Trial Court, Branch 61, Baguio City
Date Filed	May 10, 2002
Nature of the Action	The case was filed by the Valdez' against the Laperals, et al. for annulment of documents and recovery of possession with damages
Status	Said case was dismissed against Spouses Oliverio G. Laperal and Emma L. Laperal and Philippine Cyber College Corp., in a resolution dated April 8, 2011. But the plaintiffs appealed to the Court of Appeals which reversed the order of dismissal by the RTC and directed that the case be tried on the merits. From the adverse order, defendants filed a petition for review on certiorari before the Supreme Court. Said Court, however, affirmed the findings of the Court of Appeals. After the case was remanded to the court *a quo* for trial on the merits, a decision was reached to which both plaintiffs and defendants filed an appeal to the Court of Appeals. By the death of Oliverio G. Laperal, Sr. on August 26, 2018 and Emma L. Laperal on December 1, 2003, they are now substituted by their legitimate children, namely: Victorina L. Laperal, Oliverio L. Laperal, Jr., Rosamaria L. Laperal, Regina Laperal-Concepcion, Desiderio L. Laperal, and Alexandra Laperal-Aquino.
Case Title	Victorina L. Laperal, et al., vs. Filipinas Golf & Country Club, Inc., et al. Docketed as Civil Case No. Q-09-221 Regional Trial Court, Branch 93 Quezon City, Metro Manila

Status	This is a civil case filed by Victorina L. Laperal, Rosamaria L. Laperal, Regina L. Concepcion and Alexandra L. Laperal against Filipinas Golf & Country Club, Inc. on July 15, 2009, asking the RTC to direct the Company to issue their respective proprietary membership certificates. On September 7, 2009, Oliverio G. Laperal, Sr. filed a motion for leave to admit his complaint-in-intervention with the attached complaint-in-intervention against the plaintiffs. He asserted his real and beneficial ownership over the proprietary membership certificates claimed by the plaintiffs and thus, prayed that the court must dismiss the case for lack of cause of action. On September 7, 2009, the Company filed its verified answer to the complaint. The plaintiffs then filed their reply to the answer on October 08, 2009. Meanwhile, availing of the remedies under the Rules of Court, the Company served written interrogatories and requests for admissions on the plaintiffs on September 29, 2009. The plaintiffs then asked for an extension of deadline to reply to the discovery devices. At pre-trial stage, the parties asked the court for the suspension of the proceedings in order to finalize the terms of their settlement. On August 26, 2018, Oliverio G. Laperal, Sr. died at St. Luke's Medical Center-Global City. Meanwhile, a petition is filed for the probate of the Will of Oliverio G. Laperal, Sr. and appointment of executor, docketed as R-MKT-18-04136-SP, now pending before the Regional Trial Court, Branch 148, Makati City, Metro Manila.

ANNEX "C"

RESUME OF THE BOARD OF DIRECTORS
AND
EXECUTIVE OFFICERS

HORACIO M. PASCUAL, 93 **Director/Chairman of the Board**	
Imperial Resources Incorporated	July 19, 2018 to present
EDUCATIONAL ATTAINMENT	
Associate in Arts (Pre-Law) St. Williams College	1950
Bachelor of Science in Education National University	1952
Bachelor of Law Manuel L. Quezon University	1964
Master of National Security National Defense College of the Philippines	1979
Doctor of Public Administration (earned 21 Units) Polytechnic University of the Philippines	1979
OTHER BUSINESS EXPERIENCE	
Filipinas Golf & Country Club, Inc	Director
M.H. Pascual Law Office	Partner
Acsay Pascual & Associates Law Office	Partner
Legal & Policy Research Department & Enterprises Operations Department	Director
Export Processing Zone Authority	Director
Chief Policy Research Officer	Presidential Economic Staff
Program Implementation Agency	Administrative Assistant
Xavierville Homeowners' Association	Director/President
AFFILIATIONS AND MEMBERSHIPS	
Integrated Bar of the Philippines	Isabela
American Society of International Law	U.S.A.

International Society for the Study of Comparative Public Law	U.S.A.
Philippine Association of Technical Assistance Participants	Manila
ELM Association of the Philippines, Inc.	Manila

OLIVERIO L. LAPERAL, JR., 76 **Director/President/CEO**	
Imperial Resources Incorporated	
Director	March 28, 2016 to present
President/CEO	July 11, 2024
Vice-President Treasurer	July 13, 2023
President/CEO	July 13, 2017 to July 18, 2018, July 11, 2019
Vice-President/CFO/Treasurer	July 14, 2016 to July 13, 2017; July 19, 2018 to July 19, 2018
Vice-President/Treasurer	July 13, 2023
EDUCATIONAL ATTAINMENT	
School of Engineering De La Salle University, Manila	1968-1969
BS (Honors) Cornell University, New York, U.S.A.	1969-1973
MBA Cornell University, New York, U.S.A.	1973-1975
OTHER BUSINESS EXPERIENCE	
Front Desk Manager Statler Hotel, New York, U.S.A.	1974-1975
Assistant Manager Chemical Bank of New York Wall St., U.S.A.	1975
Assistant Manager Holiday Inn, Vancouver BC, Canada	1975
Director & Vice-President Marketing Pioneer Savings & Loan, Manila	1975-1980
Vice-President Pacific Shores Capital Dev't Corp.	1975-1980
President & Managing Director R.S. Video & Film Productions	1980-present
Director/President Filipinas Golf & Country Club, Inc.	1975-1980 2016-present

AFFILIATIONS AND MEMBERSIPS	
Society of Motion Picture and Television Engineers (SMPTE) New York, U.S.A.	
National Association of Broadcasters Washington D.C., U.S.A	
Advertising Suppliers Association of the Philippines	
Commercial Production House Group	
Rotary Club of Makati-West	
Phil. National Team Phil. Practical Shooting Assoc.	
Phil. National Team Waterski Assoc. of the Philippines	Southeast Asian Record Holder
Manila Polo Club	
Alabang Country Club	
Subic Bay Yacht Club	
Tagaytay Highlands & Midlands	
Licensed Pilot (Instrument Rated) Philippines & U.S.A.	
Licensed Drone Commercial Pilot	

DESIDERIO L. LAPERAL, 71 **Director/Vice-President/CFO/Treasurer**	
Imperial Resources Incorporated	
Director	1977 to 1981 1996 to present
Vice-President/CFO/Treasurer	July 11, 2024
President/CEO	July 14, 2016 to July 13, 2017 July 19, 2018 to July 11, 2019
Vice-President/CFO	July 13, 2017 to July 11, 2019
Vice-President	1996 to July 2016 July 13, 2017 to July 18, 2018
Treasurer	1996 to July 2016
President/CEO	July 13, 2023
EDUCATIONAL ATTAINMENT	
Elementary La Salle Greenhills, Mandaluyong City	1965-1971

Secondary Level (High School) Institute Le Rosey, Switzerland	1971-1973
B.S. Finance University of Santa Clara, U.S.A.	1973-1978
OTHER BUSINESS EXPERIENCE	
Pacifica, Inc.	
Director	1978 to August 2010
Vice-President/Treasurer	1996 to July 1997
Vice-President	1976 to 1981
Filipinas Golf & Country Club, Inc.	
Director	1979 to present
Vice-President/CFO	1990-2000-2017-2011-2012
President	2001 to 2014-2016-2018-2011-2012
President	
Philippine Cyber College Corp.	
President	2017 to present
Vice-President/Treasurer	2007 to 2016
LMI Holdings Corporation	
President	2017 to present
Vice-President/Treasurer	2011 to 2016
Laperal Realty Corporation	
Vice-President/Treasurer	2011 to present
Rockway Realty Corporation	
Vice-President/Treasurer	1982 to present
LTC Real Estate Corporation	
Vice-President/Treasurer	1982 to present
Keystone Agricultural Ventures, Inc.	
President	1982 to present
Imperial Development Corporation	
Vice-President/Treasurer	2008 to 2017
Chairman/President	2018 to present
Philippine Hybrid Seeds, Inc.	
Vice-President	1980 to present
Phil. Agro-Research Corporation	
President	1980 to present
AFFILIATIONS AND MEMBERSIPS	
Rotary Club of Makati-Ayala	
Charter Member	1983 to present

VILMA B. VILLANUEVA, 83 **Director/Chief Accounting Officer/Assistant Treasurer**	
Imperial Resources Incorporated	
Director	1994 to present

Chief Accounting Officer and Asst. Treasurer-Comptroller	2001 to present
Chief Accounting Officer	2001 to present
Assistant Treasurer	1974 to present
EDUCATIONAL ATTAINMENT	
Mangatarem Elementary School	1948-1954
Mangatarem High School	1954-1958
BBA (Accounting) CPA University of the East	1958-1962
MBA (Undergraduate) Letran College	1969-1971
OTHER BUSINESS EXPERIENCE	
Pacifica, Inc.	
Director	1994 to July 1997
Treasurer	1977 to July 1997
Liberty Mines, Inc.	
Director	1990 to 1996
Asst. Corporate Secretary Asst. Treasurer	1979 -1996
Filipinas Golf & Country Club, Inc.	
Director	1989 to present
Comptroller/Chief Accounting Officer	May 2008 to present
Asst. Secretary	1990 to 1994
Treasurer	1995 – April 2008
Imperial Development Corporation	
Asst. Treasurer	1986 to present
Keystone Agricultural Ventures, Inc.	
Director	2000 to present

GENELITA G. MANADIC, 63
Director/Independent Director

Imperial Resources Incorporated	
Independent Director	June 10, 2010 to present
EDUCATIONAL ATTAINMENT	
Balanga Elementary School	1970 - 1976
Tomas Del Rosario Academy	1976 - 1980
Civil Engineering University of the East	1981 - 1986
OTHER BUSINESS EXPERIENCE	
Filipinas Golf & Country Club, Inc.	
Director	2010 to present
Life Underwriter	1991 to 1992
Agency Underwriter	1992 to 1995
Everlasting Memorial Park	

Marketing Manager	1995 to 1996
Subic Bay Waterfront Development Corporation	
Group Manager	1996 to 1999
Partner Thocaris One Inc.	1990 to present
Philippine Representative Matthews Cremation Division	1990 to present
Founder, Lecturer Fruit and Veggie Friends Club, Inc.	1994 to present

JESUS VICENTE B. CAPELLAN, 59 **Director/Corporate Secretary/Compliance Officer**	
Imperial Resources Incorporated	
Director/Corporate Secretary/Compliance Officer	February 28, 2014 to present
EDUCATIONAL ATTAINMENT	
Basic Education St. Ferdinand College, Ilagan City, Isabela	1973 - 1980
Secondary Education San Jacinto Seminary, Tuguegarao City, Cagayan	1980 - 1984
Bachelor of Arts in Philosophy San Pablo Seminary, Baguio City	1984 - 1985
Bachelor of Arts in Philosophy University of Santo Tomas, Manila	1985 - 1988
Bachelor of Laws/Doctor of Jurisprudence (JD) University of Santo Tomas, Manila	1988 - 1993
Master of Law San Beda University, Manila	
OTHER BUSINESS EXPERIENCE	
Trial Lawyer/Practitioner	1994 to present
Of Counsel The Firm of Sarmiento Delson & Resurreccion	
Director/Corporate Secretary Filipinas Golf & Country Club, Inc.	February 28, 2014 to present
Corporate Secretary LTC Real Estate Corporation	February 28, 2014 to present
Director/Corporate Secretary Philippine Cyber College Corp.	February 28, 2014 to present
Director/Corporate Secretary Imperial Development Corporation	February 28, 2014 to present
Director/Corporate Secretary Keystone Agricultural Ventures, Inc.	February 28, 2014 to present

Corporate Secretary Laperal Realty Corporation	February 28, 2014 to present
Corporate Secretary LMI Holdings Corporation	February 28, 2014 to present
Trustee/Corporate Secretary National Clay Shooting of the Philippines, Inc.	
Professor/Legal Consultant San Beda College, Alabang, Muntinlupa City	2014 to present
Legal Consultant Manila Bulletin Corporation, Manila	
Legal Consultant Manila Hotel, Manila	
Mediator National Center for Mediation	
AFFILIATIONS AND MEMBERSHIPS	
President (Social Action Center) UST AB Pax Romana	1986 to 1988
Treasurer UST, AB Philosophy Council	1986 to 1988
Member UST AB Legion of Mary	1986 to 1988
Member UST, Knights of Columbus Council 7884	1987 to present

MARCIANO G. DELSON, 59 **Director/Independent Director**	
Imperial Resources Incorporated	
Independent Director	July 14, 2022 to present
EDUCATIONAL ATTAINMENT	
Bachelor of Laws & Master of Laws San Beda University, Manila	
Bachelor of Science in Commerce major in Accountancy Saint Louis University, Baguio	
Secondary Education Lubon Elementary School, Tadian, Mt. Province	
Basic Education Lubon Elementary School, Tadian, Mt. Province	
PROFESSIONAL EXAMINATION TAKEN	
Certified Public Accountant Licensure Examination Professional Regulation Commission	1986 with a passed rating of 87%
Bar examinations Philippine Supreme Court	1990 with a passed rating of 87.95%
PRESENT WORK ENGAGEMENT	
Dean, College of Law	

San Beda University, Manila	
Trustee/Professor of Law San Beda College, Alabang, Muntinlupa City	
Senior Partner The Firm of Sarmiento Delson & Resurreccion	

ANNEX "D"

COVER SHEET

3	9	2	4	3					

S.E.C. Registration Number

I	M	P	E	R	I	A	L		R	E	S	O	U	R	C	E	S	,	I	N	C	.					

(Company's Full Name)

8	2	-	J		4	T	H		S	T	R	E	E	T		N	E	W		M	A	N	I	L	A			

Q	U	E	Z	O	N		C	I	T	Y																		

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

JESUS VICENTE B. CAPELLAN

Contact Person

831-4719 / 724-2986

Company Telephone Number

1	2

Month

3	1

Day

Fiscal Year

SEC FORM 17-Q Quarterly Report as of March 31, 2026

Form Type

0	7

Month

Day

Annual Meeting

Secondary License Type, If Applicable

I	C	T	D

Dept. Requiring this Doc.

Amended Articles Number/Section

1	6	6	4

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = pls. Use black ink for scanning purposes

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY

Consolidated Statements of Financial Position
March 31, 2026 and December 31, 2025

Amounts in Philippine Peso

		March 31 * 2026	December 31 ** 2025
A S S E T S			
Current assets			
Cash and cash equivalents	P	**3,146,276**	**3,020,095**
Other receivables			**36**
Prepayments		**8,293**	**15,079**
Total current assets		**3,154,570**	3,035,210
Non current-assets			
Financial assets at FVOCI		**1,472,000**	**1,472,000**
Property and equipment, net		**1,250**	**1,250**
Investment property		**1,075,000,000**	**1,075,000,000**
Deferred Tax Asset		**1,080,166**	**1,080,166**
Total non-current assets		**1,077,553,416**	1,077,553,416
TOTAL ASSETS	P	**1,080,707,986**	1,080,588,626
LIABILITIES AND EQUITY			
Current liabilities			
Accruals and other payables	P	**3,140,337**	**3,435,758**
Income tax payable		**-**	**-**
Total current liabilities	P	**3,140,337**	3,435,758
Non-current liabilities			
Retirement benefits payable		**4,320,665**	4,320,665
Advances from stockholders		**82,754,840**	81,004,840
Total non-current liabilities		**87,075,505**	85,325,505
TOTAL LIABILITIES		**90,215,842**	88,761,263
Total Equity Attributable to the Owners of the Parent			
Share Capital		**636,564,296**	636,564,296
Unrealized gain on fianancial assets at fair value through other comprehensive income		**672,000**	672,000
Remeasurement gain on retirement benefits pay:		**492,425**	492,425
Retained earnings / (Deficit)		**353,019,370**	354,354,590
		990,748,091	992,083,311
Non-controlling Interest		**(255,948)**	(255,948)
TOTAL EQUITY		990,492,143	991,827,363
TOTAL LIABILITIES AND EQUITY	P	**1,080,707,986**	1,080,588,626

* Unaudited
** Audited

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY

Consolidated Statements of Changes in Equity
(Unaudited)
March 31, 2026 and 2025

	Amounts in Philippine Peso	
	March 2026	**March 2025**
EQUITY		
Capital stock - par value - P1.00 for 2026 and 2025		
Authorized - 1,800,000,000 shares for 2026 and 2025		
Common Stock - 1,8000,000,000 shares for 2026 and 2025		
Common Stock - Issued and outstanding - 230,643,195 for 2026 and 2025,		
Balance at beginning of year	P **230,643,195**	P **230,643,195**
Issued	**-**	**-**
Balance at end of period	**230,643,195**	**230,643,195**
Common Stock - subscribed capital stock - 421,856,804 shares for 2026 and 2025,		
Balance at beginning of year	**421,856,805**	**421,856,805**
Addition (Deduction) - net	**-**	**-**
Balance at end of period	**421,856,805**	**421,856,805**
Less: subscription receivable		
Balance at beginning of year	**15,935,704**	**15,936,454**
Addition (Deduction) - net	**-**	**-**
Balance at end of period	**15,935,704**	**15,936,454**
	405,921,101	**405,920,351**
Total share capital	**636,564,296**	**636,563,546**
Unrealized gain on financial assets at fair value through other comprehensive income	**672,000**	**-**
Remeasurement gain on retirement benefits payable	**492,425**	**333,171**
Retained Earnings		
Balance at the beginning of year	**354,354,590**	**320,786,342**
Comprehensive loss for the period	**(1,335,220)**	**(1,554,338)**
Balance at the end of the period	**353,019,370**	**319,232,005**
Non-Controlling interest	**(255,948)**	**(253,575)**
TOTAL EQUITY	P **990,492,143**	P **955,875,147**

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY

Consolidated Statements of Comprehensive Income
(Unaudited)
For the Quarters ended March 31, 2026 and 2025

Amounts in Philippine Peso

	March 31 2026	March 31 2025
INCOME		
Interest Income	**P 285**	P 280
EXPENSES		
Salaries and Wages	**483,016**	630,798
Professional Fees	**51,520**	84,720
Utilities	**121,348**	117,363
Rental	**196,855**	213,110
Repairs and Maintenance	**13,950**	42,030
Transportation and Travel	**47,367**	12,845
Dues and Subscription	**294,530**	290,295
Miscellaneous	**24,395**	31,519
Security Services	**51,000**	51,000
Supplies and other office expenses	**4,906**	7,364
SSS, PHIC and HDMF contributions	**1,650**	17,400
Taxes and Licenses	**36,456**	37,009
Insurance	**7,061**	19,166
Dues and other fees	**1,450**	-
	P 1,335,505	1,554,618
LOSS FROM OPERATIONS	**(1,335,220)**	(1,554,338)
OTHER COMPREHENSIVE INCOME (LOSS)	**-**	-
TOTAL COMPREHENSIVE INCOME (LOSS)	**(1,335,220)**	(1,554,338)
LOSS FOR THE QUARTER ATTRIBUTABLE TO :		
Owners of the Parent	**(1,334,581)**	(1,553,609)
Non-Controlling Interest	**(639)**	(729)
	P (1,335,220)	P (1,554,338)
LOSS PER SHARE	**(0.002)**	(0.002)

Consolidated Statements of Cash Flows
(Unaudited)
For the Quarters Ended March 31, 2026 and 2025

Amounts in Philippine Peso

		March 31 2026		March 31 2025
Cash Flows from Operating Activities				
Net loss from Operations	P	(1,335,220)	P	(1,554,338)
Adjustments for Interest Income		(285)		(208)
Decrease (Increase) in :				
Receivables		36		13,958
Prepayments		6,786		9,332
Increase (Decrease) in :				
Accruals and other Payables		(295,421)		(282,523)
Cash Used in Operating Activities		(1,624,104)		(1,813,779)
Interest Income Received		285		208
Net Cash Used in Operating Activities		(1,623,819)		(1,813,571)
Cash Flows from Financial Activities				
Additonal Paid up Capital				
Increase in advances from stockholders		1,750,000		1,640,000
				-
Net Cash Provided from Financial Activities		1,750,000		1,640,000
Net Increase (Decrease) in Cash and Cash Equivalents		126,181		(173,571)
Cash and Cash Equivalents at the Beginning of the Period		3,020,095		2,982,751
Cash and Cash Equivalents at the End of the Period	P	3,146,276	P	2,809,180

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY

Aging of Accounts Receivable
(Unaudited)
As of March 31, 2026

Trade and other Receivables -	P	-
Advances to employees for liquidation	P	-
Loans to Employees and other companies	P	-
SSS Maternity Benefit	P	-
Total		

1) Aging of accounts receivable

Type of accounts receivable	Total	1 Month	2-3 Mos.	4-6 Mos.	7 Mos To 1 Year	1-2 Years	3-5 Years	5 Years-above	Past due accounts & Items in Litigation
a) Trade receivables									
1) Trade receivables	-	-	-	-	-	-	-	-	-
b) Non-trade receivables									
1) Loan to employees	-	-	-	-				-	
2) Maternity Benefit-SSS	-	-	-	-	-				
Advances to employees	-	-	-	-	-				
Non-trade receivable	-	-	-	-	-	-	-	-	-
Total accounts receivable (net)	-								

2) Accounts receivable description

Type of receivable	Nature/Description	Collection Period
1) Loans to employees	Loans to company employees	six (6) months
2) Others	Advances to employees for liquidation	one (1) month
	SSS Maternity Benefit	two (2) months

3) Normal Operating Cycle : Calendar Year (12 months)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

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

1. For the quarterly period ended: **March 31, 2026**

2. Commission identification number: **39243** 3. BIR Tax Identification No.: **000-463-670**

IMPERIAL RESOURCES, INC.

4. Exact name of issuer as specified in its charter

Metro Manila, Philippines

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

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

7. Address of issuer's principal office Postal Code

Unit 202 Villa Building, No. 78 Jupiter Street corner Makati Avenue, Barangay Bel- Air, Makati City 1200

8. Issuer's telephone number, including area code

(632) 724-2986

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

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Voting Shares – P1.00 par value 652,500,000 Million Voting Shares	652,500,000 Million Voting Shares
	There are no debt securities
	Amount of Debt Outstanding – P90,215,842

One Hundred Fifty Million (150,000,000) Common voting shares are exempted from registration

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

Yes [x] No [ ]

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

Philippine Stock Exchange Common Voting shares

The original Twenty Million (20,000,000) shares of stock consisting of Fourteen Million (14,000,000) Common Class "A" shares and Six Million (6,000,000) Common Class "B" shares are listed in the Philippine Stock Exchange. After the approval of the change in par value from P5.00 to P1.00 and declassification of Class "A" and Class "B" into Common Stock by the Securities and Exchange Commission on February 10, 2017, the Common Stock shares listed with Philippine Stock Exchange has become 100,000,000 shares.

Inasmuch as the company desires to increase its listed shares in the Philippine Stock Exchange (PSE), the majority of the issued and outstanding shares of stocks of Imperial Resources, Incorporated, in the number of **Five Hundred Forty-Six Million Two Hundred Thirty-three Thousand Six Hundred Seventy (546,233,670) common shares,** which consist of **Eighty Three point Seven One Four Percent (83.714%),** is the subject of probate proceedings, entitled: IN RE: Petition for the Will of Oliverio G. Laperal, Sr., Desiderio Christopher L. Laperal, petitioner, pending before the Regional Trial Court, Branch 148, Regional Trial Court, Makati City.

Once the probate court allows and approves the administration and disposition of the estate, including the said shares of stocks of Oliverio G. Laperal, Sr., as well as when the economic environment makes it feasible the company shall endeavor to work on the listing requirements of PSE.

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 that the registrant was required to file such reports);

Yes [x] No [ ]

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

Yes [x] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

1. The Financial Statements are as follows:

a) Consolidated Statements of Financial Position as of March 31, 2026 (Unaudited) and December 31, 2025 (Audited).

b) Unaudited Consolidated Statements of Changes in Equity for the Quarters Ended March 31, 2026 and 2025.

c) Unaudited Consolidated Statements of Comprehensive Income for the Quarters Ended March 31, 2026 and 2025.

d) Unaudited Consolidated Statements of Cash Flows for the Quarters Ended March 31, 2026 and 2025.

e) Aging of Accounts Receivable as of March 31, 2026.

Item 2. ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The ongoing war among the United States, Iran and Israel has intensified during the first quarter of 2026. It has impacted not only the Philippine economy but also the global economy in a way unseen in many years. The country has been experiencing rapid oil price spikes resulting to weakening of the peso, increase in domestic inflation, decline in spending and disrupted economic activity. The government has been coming up with various economic policies to mitigate the serious effects on the lives of the people in particular and the domestic economy in general.

During the first quarter of 2026 the Company experienced manpower shortage in its accounting department. One employee resigned in late 2025 while another employee went on maternity leave in January, 2026. This was compounded by the absences of some employees due to lack of transportation as a result of the oil crisis. However, despite these problems the Company was able to prepare in collaboration with its external auditors its Audited Financial Statements and all related financial reports and Income tax return for the year ended December 31, 2025 and subsequently submitted to the Securities and Exchange Commission, Bureau of Internal Revenue and Philippine Stock Exchange within the prescribed period. The Board of Directors conducted a meeting on April 8, 2026 approving the Audited financial statements of the company for the year ended December 31, 2025.

During the first quarter of 2026, per data provided by the Philippine Stock Exchange, Parent Entity (IMP) shares traded at a high of P0.90, low at P0.90 and closed at P0.90. The total volume of shares traded during the quarter was 2,000 shares. On the other hand during the first quarter of 2025 the shares of stocks traded at a high of P0.67, low of P0.56 and closed at P0.56 with a volume of 595,948 shares.

The Company received cash advances during the quarter covered by this report from a stockholder amounting to P1.75 million which funded the administrative expenses during the said period amounting to P1.34 million.

During this quarter the amount of interest income earned was immaterial.

The Group during the first quarter of 2026 did not dispose any asset of material amount nor does it plan to do it in the near future. It has not budgeted nor committed any substantial amount for material or capital expenditures for the coming quarters. Any amount needed for the Group's operation will be funded by the Laperal family through its family-owned corporation, LTC Real Estate Corp.

Material changes (five percent (5%) or more) in the accounts under the unaudited consolidated statements of financial position as at March 31, 2026 compared with the figures appearing in the audited consolidated statements of financial position as at December 31, 2025 including the reasons for such changes are presented below:

1. **Other Receivables**
   There was a decrease of about 100% or P36 because of liquidation of the advances to an employee during the first quarter of 2026.

2. **Prepayments**
   There was a decrease of about 45% or P7 thousand because some of the prepaid accounts were expensed during the first quarter of 2026.

3. **Accruals and other payables**
   The decrease of about 9% or P295 thousand was the result of the payment of accrued expenses during the first quarter of 2026.

Discussed below are the material changes (five per cent (5%) or more) in the accounts under the Consolidated Statements of Comprehensive Income for the first quarter of 2026 in comparison with the same period in 2025 including the causes of such changes:

A. Income Account

1. **Interest Income**
   The increase during the first quarter of 2026 in this account is very minimal at only 2%.

B. Administrative Expenses Accounts

1. **Salaries and Wages**
   There was a decrease of about 23.4% or P148 thousand during the first quarter of 2026 compared with the figure for the same period in 2025 because of the resignation of two (2) employees in October, 2025.

2. **Repairs and Maintenance**
   There was a decrease in this account by about 66.9% or P28 thousand compared with the figure for the first quarter of 2025 because of the decrease in the cost of maintaining the company vehicles which were in better running condition than in the same period in 2025.

3. **Travel and Transportation**
   This account includes gasoline and oil expense for company vehicles and motorcycles being used by company officers and messengers. This account increased during the first quarter of 2026 compared with the figure during the same period in 2025 by about 26.9% or P34.5 thousand because the reimbursement of the gasoline expenses incurred by one of the directors was paid during the first quarter of 2026.

4. Supplies and Other Office Expenses

This account includes office supplies, advertising, printing and reproduction expenses. This account decreased by about 33.4% or P2.5 thousand because the domain renewal and business hosting renewal fee was paid during the first quarter of 2025 unlike in 2026 where it was paid during the second quarter of 2026.

5. Miscellaneous

During the first quarter of 2025 the company's transfer agent billed the company miscellaneous expenses incurred in the preparation of reports regarding the company's shares of stock. None of this kind of expense was incurred in 2026. Also, the miscellaneous expenses incurred in securing business permit for 2025 decreased in 2026, hence, the decrease of about 22.6% a P7 thousand.

6. Professional fees

There was a decrease of about 39.2% or P33.2 thousand during first quarter of 2026 compared with the figure for the same period in 2025, The professional fees for the Company's appraiser and actuary were taken up as accrued expense payable on December 31, 2025, hence, an expense in the year 2025 This was not recorded as accrued expense payable on December 31, 2024 because of the late billing hence, the decrease.

7. Insurance

There was a decrease of about 63.2% or P12 thousand because the insurance premium for one vehicle was paid during the first quarter of 2025 while the same was paid during the second quarter of 2026.

8. Dues and Other Fees

There was an increase in this account in 2026 by 100% or P1.5 thousand because the subscription dues for the daily newspapers for the month of March, 2026 was paid in March, 2026 while the dues for March, 2025 were paid in April, 2025.

9. SSS PHIC and HDMF Contribution

There was a decrease of about 90.5% or P16 thousand during the first quarter of 2026 because of the resignation of two employees in October, 2025.

10. Rental

There was a decrease of about 7.6% or P16 thousand because during the first quarter of 2026 the payment for March, 2026 rent was paid in April, 2026 while in the first quarter of 2025 the rent was paid in March, 2025.

THE GROUP'S FINANCIAL SOUNDNESS INDICATORS

Presented below are the Financial Soundness Indicators used by the Group for the March 31 2026, December 31, 2025 and March 31, 2025

	March 31, 2026		December 31, 2025		March 31, 2025	
(i) Current/liquidity ratios:						
Current assets / Current liabilities	3,154,570 / 3,140,337 =	1.00:1	3,035,210 / 3,435,758 =	88.34:1	2,835,485 / 2,630,863 =	1.08:1
(ii) Debt-to-equity ratios:						
Total liabilities / Equity	90,215,842 / 990,492,143 =	0.09:1	88,761,263 / 991,827,363 =	0.09:1	83,101,329 / 955,875,147 =	0.09:1
(iii) Solvency ratios:						
Total liabilities / Total assets	90,215,842 / 1,080,707,986 =	0.08:1	88,761,263 / 1,080,588,626 =	0.08:1	83,101,329 / 1,038,976,475 =	0.08:1
(iv) Asset-to-equity ratios:						
Total assets / Equity	1,080,707,986 / 990,492,143 =	1.09:1	1,080,588,626 / 991,827,363 =	1.09:1	1,038,976,475 / 955,875,147 =	1.09:1

(v) Interest rate coverage ratios (Earnings before interest and taxes/Interest expense):
This ratio is not applicable since the Company has no interest expense.

(vi) Profitability ratios (Net profit after taxes/Revenues before cost of services):
This ratio is not applicable since the Parent Entity and Subsidiary has no revenues.

2. Notes to Interim Financial Statements and Other Required Disclosures:

a. The Group's unaudited interim consolidated financial statements as of March 31, 2026 presented in this report have been prepared in conformity with generally accepted accounting principles. The same have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) and Philippine Accounting Standards (PAS). The same accounting policies and methods of computation were followed in the unaudited interim consolidated financial statements as compared with the Company's audited consolidated financial statements as of December 31, 2025.

b. There were no items affecting assets, liabilities, equity, net income, or cash flows considered unusual because of their nature, size, or incidents.

c. The Group did not use estimates of amounts in its interim period reports covering the 1st quarter of the year 2026 and end of the year 2025, hence, no changes that have material effect in the current interim period can be reported.

d. The Group has no issuances, repurchases and repayments of debt and equity securities. It has no short-term or long-term promissory notes. Therefore, it has no interest expense nor amortization of debt discount and expense or premium.

e. There has been no changes in the composition of the Group during the interim period covered by this report, including business combinations, acquisition or disposal of subsidiaries and long-term investments, and restructurings.

f. The Group has no contingent liabilities or contingent assets since December 31, 2025.
g. There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

h. There were no material segment revenue and segment business results during the period covered by this report.

i. There has been no cash or stock dividends paid by the Group since their incorporation.

j. Certain accounts have been reclassified and comparative figures have been adjusted to conform with the presentation of the Consolidated Financial Statements as of December 31, 2025. The accounting policies adopted in the preparation of the consolidated financial statements as of December 31, 2025 and interim financial statements as of March 31, 2026 are consistent with those of the previous financial year except for the adoption of the new and amended standards and interpretations, which became effective beginning January 1, 2025. The adoption of these new and amended standards and interpretations did not have significant impact on the Parent Entity and Subsidiary's financial statements. No standard interpretation on amendment that has been issued but is not yet effective was early adopted.

BASIS OF PREPARATION, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below to facilitate an understanding of the data presented in the consolidated financial statements. These policies have been consistently applied, unless otherwise stated.

Basis of preparation and statement of compliance

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

These financial statements have been prepared under the historical cost convention, except for certain financial assets measured at fair value. The financial statements are presented in Philippine Peso, the Group's functional currency.

The preparation of the consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies.

Basis of Consolidation

These consolidated financial statements consist of the financial statements of Parent Company and its Subsidiary. The financial statements of the Subsidiary are prepared for the same reporting period as the Parent Company using consistent accounting policies.

	Principal place of business	Principal activities	Effective ownership	
			2025	2024
PCCC	Philippines	Technical vocational education	**100%**	100%

Subsidiary

A subsidiary is an entity that is controlled by another entity. Control is when the latter is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the subsidiary.

The Parent Company has the power to govern the financial reporting policies generally accompanying a shareholding of more than one-half of the voting rights of the Subsidiary. The Parent Company obtains and exercises control through voting rights. The existence and effect of potential voting rights that are currently exercisable and convertible are considered when assessing whether the Parent Company controls another company. Consolidation begins from the date the Parent Company obtains control of the Subsidiary and ceases when it loses control.

All intragroup balances, income and expenses and unrealized gains and losses from intragroup transactions are eliminated in full.

Non-controlling Interest (NCI)

NCI represents the portion of profit or loss and other comprehensive income and the net assets not held by the Parent Company and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity holders of the Parent Company. Transactions with NCI are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

Changes in accounting policies and disclosures

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

The adoption of the new and amended standards and interpretations did not have an impact on the Group's financial statements, unless otherwise stated.

Adoption of new and revised accounting standards effective from January 1, 2025 to December 31, 2025

Effective beginning on or after January 1, 2025

PFRS 17, Insurance Contracts

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The adoption of the new standard does not have an impact on the Group for it is not an issuer of insurance contracts.

Amendments to PAS 21 – Lack of Exchangeability

The amendments to Philippine Accounting Standard (PAS) 21, The Effects of Changes in Foreign Exchange Rates, addressing Lack of Exchangeability, are effective January 1, 2025. These amendments provide guidance on assessing whether a currency is exchangeable into another currency and how to determine the exchange rate when exchangeability is lacking.

Under the amendments, a currency is considered exchangeable when an entity can:

- Obtain another currency within a reasonable period, and
- Exchange the currency at an amount that approximates the quoted exchange rate.

When exchangeability is lacking, an entity is required to estimate the exchange rate at which the exchange would have occurred using:

- Official exchange rates,

- Parallel market rates, or
- Other observable inputs reflecting economic conditions.

The amendments also require disclosures on the nature and extent of exchange restrictions, the method used to estimate exchange rates, and any significant assumptions or uncertainties. These amendments are not expected to have a material impact on the Group's financial statements upon adoption.

Effective beginning on or after January 1, 2026:

Amendments to PFRS 9 and PFRS 7, Amendments to the Classification and Measurement of Financial Instruments

Amendments to PFRS 9 and PFRS 7, Contracts Referencing Nature-dependent Electricity

Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to the following standards:

Amendments to PFRS 7, Financial Instruments: Disclosures

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13. The amendments to paragraph IG1 of the Guidance on implementing PFRS 7 clarified that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7, nor does it create additional requirements. The amendments to paragraph IG14 of the Guidance on implementing PFRS 7 made the wording consistent with the requirements in paragraph 28 of PFRS 7 and with the concepts and terminology used in PFRS 9 and PFRS 13. The amendments to paragraph IG20B of the Guidance on implementing PFRS 7 simplified the explanation of which aspects of the PFRS requirements are not illustrated in the example.

Amendments to PFRS 9, Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

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

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures. The amendments will apply in future transactions of the Group.

k. Financial Risk Management Objectives and Policies

The Group's activities are exposed to a variety of financial risks: credit risk, liquidity risk, market risk and fair value estimates. The Group's overall risk management program seeks to minimize potential adverse effects on its financial performance and to make an optimal contribution to its revenues by managing these risks. The Parent Entity's risk management, vested thru the Board of Directors, focuses on actively securing its short to medium-term cash flows by minimizing the exposure to financial risks. Long-term financial investments are managed to generate lasting returns.

Management is aware of the following risks that the Company will face in the future as regards its mining project:

1. Mining metals and non-metals is essentially risky and expensive and faced with multiple problems.
2. The prices of commodities are always subject to fluctuations.
3. All governments change its heads and regulations are subject to unpredictable changes and government laws and regulatory policies and corporate governance poses hazards to plan, execute and deliver on long-term projects.
4. The global weather is unpredictable.
5. Many governments are demanding larger and larger share of the profits. Higher taxes and rents are seen as management problems.
6. Terms of contracts may be subjected to unpredictable changes.

Management's Responses and Outlook

1. The Company's main goal is to explore for less risky exploration and exploitation minerals.
2. Shorten exploration period and look for the most economical ways to explore and conduct the latest geological and geophysical techniques to minimize risks of exploration.
3. Management will engage experts to utilize proven hedge and financial initiatives to mitigate and minimize the inherent risks of the volatility of commodities.
4. The Group is aware of the importance of community welfare and community relationship.

Financial risk factors

The Group's financial assets and liabilities, comprising mainly of cash and cash equivalents, trade and other receivables, available-for-sale investments and refundable deposits are exposed to a variety of financial risks. The management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks in the Group's financial performance. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

1. Credit Risk Management

Credit risk refers to the risk that a counterpart will default on its obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets.

The credit risk for cash and cash equivalent is assessed by Management as low risk since these are deposited with reputable banks which have low probability of insolvency. The amount of the Group's trade and other receivables account is not material. The Group's maximum exposure to credit risk from the available-for-sale investments is equivalent to the fair value of the shares in the Philippine Stock Exchange (PSE). The Group has no investments in foreign securities. The total carrying amount of the financial assets composed of cash and cash equivalents, and other receivables, as presented in the financial statements as of March 31, 2026 is P 3.15 million. These financial assets are not impaired and none are used for collateral or other credit enhancements.

2. Liquidity Risk Management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by maintaining adequate highly liquid assets in the form of cash and cash equivalents. Management has no knowledge of any other trends, demands, commitments, events or uncertainties that would have material impact on the groups liquidity. A call of subscription receivable by the Board of Directors of the Parent Entity is an alternative to raise cash. The major stockholders have committed to make advances to the Parent Entity to sustain its operations. A stockholder made a cash advance amounting to P 1.75 million during the first quarter of 2026. The current ratio as of March 31, 2026 is 1.00:1.

3. Market Risk Management

Market risk is the risk of loss to future earnings, to fair value or to future cash that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes.

3.1 Interest rate and foreign currency risk

The Group's exposure to the risk of changes in interest rates is minimal since its cash and cash equivalents have fixed interest rates not affected by interest rates in the market. The Group does not have any interest bearing notes payable and is therefore not affected by changes in interest rates. The Parent Entity is exposed to foreign currency risk primarily with respect to its monetary assets denominated in US Dollar which are used to cover the exploration and development costs of its mining project in Indonesia. The Parent Entity's financial position and financial performance are affected by the movements in the Philippine Peso to US Dollar exchange rates. Foreign currency risk arises when recognized assets and liabilities are denominated in a currency that is not the entity's functional currency.

The balance of the US Dollar denominated cash and cash equivalents was US$ 45,518.65 on December 31, 2025 and US$ 45,521.82 on March 31, 2026. Any unrealized gain/loss from foreign exchange rate is taken up at the end of the year.

3.2 Other Price Risk Sensitivity

The Parent Entity's market price risk arises from available-for-sale financial asset which is carried at fair value. It manages its risk from changes in market price by monitoring the changes in the market price of the investments.

1. Operating Segment

An operating segment is a component of an entity that (a) engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with other components of the same entity; (b) whose operating results are regularly reviewed by the entity's 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.

In 2009, with the interest of the Parent Entity in mining, this business segment can be reported as an operating segment even though it is still in its exploratory stage. The business segment is organized and managed separately according to the nature of the services provided. A segment asset includes all operating assets used by a segment and consists of supplies, deposits, exploration and evaluation assets, property and equipment (net of accumulated depreciation),

With the granting of rights of exploration, development and operation of the mining concessions in Indonesia, as of March 31, 2025, there is nothing to report on mining business segment while the total segment assets under exploration and evaluation asset account amounts to P50,472,348 since December 31, 2016 broken down into acquisition of rights to explore amounting to P11,795,500 and geophysical studies amounting to P38,676,848. There has been no disbursement pertaining to the mining project from 2016 to the first quarter of 2026.

Management has no knowledge of any other trends, demands, commitments, events, or uncertainties that would have material impact on the Group's liquidity. The Group look at its current assets as source of liquidity. The Group still expects to collect some subscription receivables from its by way of a formal call by the board of directors. Management has no knowledge of any other trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the Group's operations. Management is not aware of any significant elements of income or loss that did not arise from the Group's operations nor were there any seasonal aspects that had material effect on the financial condition of the Group during the period covered by this report.

Except for the current financial obligation; there are no events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

As at the end of the 1st quarter of year 2026, the Group was not in default in any of its indebtedness. It has enough resources or can raise resources, if necessary, in order to meet any of its obligations and implement its planned activities. It does not foresee any liquidity problem in the coming quarters.

PART III – OTHER INFORMATION

All material events and / or matters during the period covered by this report were disclosed under SEC Form 17-C. There are no other material matters/events during the period covered by this report which are required by SEC to be disclosed that are not disclosed with SEC.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer	**IMPERIAL RESOURCES, INC.**
Signature and Title	**JESUS VICENTE B. CAPELLAN** Corporate Secretary
Date	
Signature and Title	**VILMA B. VILLANUEVA** Comptroller/Assistant Treasurer
Date	

COVER SHEET

ANNEX "E"

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						3	9	2	4	3

COMPANY NAME

IMPERIAL RESOURCES,

INCORPORATED AND SUBSIDIARY

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

UNIT 202 VILLA BUILDING,

NO. 78 JUPITER STREET CORNER

MAKATI AVENUE, BARANGAY

BEL-AIR, MAKATI CITY,

METRO MANILA

Form Type	Department requiring the report	Secondary License Type, if Applicable
AAF	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
impresinc@gmail.com	8721-4648	0917-526-0503

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
1,665	July 10	DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
JESUS VICENTE B. CAPELLAN	jvicentecapellan@yahoo.com	8687-1329	0917-793-1475

CONTACT PERSON's ADDRESS

UNIT 202 VILLA BUILDING, NO. 78 JUPITER STREET CORNER MAKATI AVENUE, BRGY. BEL-AIR, MAKATI CITY, METRO MANILA

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Defieciencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

IMPERIAL RESOURCES, INC.
82-J 4th Street, Mariana, New Manila, Quezon City, Metro Manila
Telephone No. 8724-2986-87214648

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Securities and Exchange Commission (SEC)
Secretariat Building
PICC Complex, Roxas Boulevard
Pasay City
Philippines

The management of **IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY** (the Parent Entity and Subsidiary) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with Philippine Financial Reporting Standards (PFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Parent Entity and Subsidiary's financial reporting process.

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

VILLARUZ, VILLARUZ & CO., CPAs, the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Parent Entity and Subsidiary in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature _____
HORACIO M. PASCUAL
Chairman of the Board

Signature _____
OLIVERIO L. LAPERAL, JR.
Chief Executive Officer / President

Signature _____
DESIDERIO L. LAPERAL
Chief Financial Officer / Treasurer

Signed this 08th day of April, 2026

ACKNOWLEDGMENT

REPUBLIC OF T HE PHILIPPINES)
_____)S.S.
QUEZON CITY

BEFORE ME, the undersigned Notary Public for and in this APR 15 2026 ____ personally appeared the following affiants with their Passport Numbers/tin No. as follows:

Name	Passport/TIN No.	Expiry Date
Horacio M. Pascual	129-864-246-000	
Desiderio L. Laperal	P5651619A	Jan. 16, 2028
Oliverio L. Laperal, Jr.	P4456234B	Jan. 20, 2030

WITNESS my HAND on the date and place first above-written.

Doc. No. 99;
Page No. 19;
Book No. VII;
Series of 2026.

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528D / 01-05-2026/ Q.C
IBP NO. INV 562041/ 12-01-2025/ Q.C.
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay
San Roque, Murphy Quezon City

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of
IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
82-J 4th Street, Barangay Mariana, New Manila
Quezon City

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY (the 'Group') which comprise the consolidated statements of financial position as at December 31, 2025 and 2024 and consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the period ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement in the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of Investment property

Refer to Note 13 to the consolidated financial statements for the disclosure regarding the Group's investment property.

The Group's investment property, which is carried at fair value, amounted to P1,075,000,000 as at December 31, 2025.

The determination of the fair value of the investment property involves significant management judgment, particularly in the selection of the appropriate valuation technique, identification of comparable properties, and application of adjustments for differences in location, condition, and market factors. Management also exercised judgment in assessing the impact of limiting conditions, including the presence of illegal settlers and existing liens and encumbrances, on the property's marketability and realizable value. Given the inherent subjectivity and sensitivity of the valuation to these assumptions, changes in key inputs could have a material effect on the fair value recognized in the financial statements.

The Risk

We noted that the valuation is subject to certain limiting conditions, including the presence of illegal settlers, as well as existing liens and encumbrances over the property. These conditions may affect the realizable value, marketability, and timing of disposition of the investment property, and therefore require careful consideration in determining the fair value.

The valuation of investment properties account is significant to our audit because it involves significant management judgment and use of assumptions by management when selecting the appropriate valuation techniques and inputs used to determine fair value for disclosure purposes and in assessing events or circumstances that may indicate the impairment of these assets.

Audit response

Our procedures in relation to management's valuation of investment property included:

- Evaluation of the competence, capabilities, independence and objectivity of the external expert engaged by the management to value the investment property by ensuring that the expert is an accredited appraiser by the Securities and Exchange Commission (SEC);

- Assessing the methodologies used and the appropriateness of the key assumptions, including consideration of the impact of identified limiting conditions (e.g., illegal settlers, liens and encumbrances) on the valuation;

- Reviewing the valuation report and discussing with management and the external valuer how such limiting conditions were factored into the valuation approach and assumptions; and

- Checking, on a sample basis, the accuracy and relevance of the input data used.

We found that the key assumptions used were supported by appropriate supporting documents and available market data. The fair market value of the property was determined using the sales comparison approach which considered the sale of similar, or substitute properties and related market data were determined to be reasonable and acceptable. We found the disclosures in Note 13 to be appropriate.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partner on the audit resulting in this independent auditor's report is George V. Villaruz.

VILLARUZ, VILLARUZ & CO., CPAs
000-889-941

By:

GEORGE V. VILLARUZ
CPA Certificate No. 36018
PRC ID no. 0036018 valid until August 26, 2026
ASEAN Chartered Professional Accountant ID No. 00002361 valid until August 26, 2029
PTR No. 8437854D issued on January 20, 2026 at Quezon City
BIR Accreditation No. (Individual) 07-100688-002-2023 issued on October 9, 2023 valid until October 8, 2026
BIR Accreditation No. (Firm) 07-000109-006-2023 issued on October 13, 2023 valid until October 12, 2026
SEC Accreditation No (Individual) 36018-SEC (Group A) issued on September 10, 2025 (Audit Period Covered 2025-2029)
SEC Accreditation No (Firm) 0058-SEC (Group A) issued on August 12, 2025 (Audit Period Covered 2025-2029)
T.I.N. 101-741-882
BOA/PRC Registration No. 0058/P-001 (Individual) issued on June 27, 2024 valid until June 26, 2027
BOA/PRC Registration No. 0058 (Firm) issued on June 27, 2024 valid until June 26, 2027

Quezon City, Philippines
April 8, 2026

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY

Unit 202 Villa Building, No. 78 Jupiter Street
Corner Makati Avenue, Barangay Bel-Air
Makati City

REPORT ON EXAMINATION OF CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

VILLARUZ, VILLARUZ & CO., CPAs

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024
(All amounts in Philippine Peso)

ASSETS

	Notes	2025	2024
CURRENT ASSETS			
Cash and cash equivalents	3, 8	**3,020,095**	2,982,751
Other receivables	3, 9	**36**	29,836
Prepayments	3, 10	**15,079**	19,756
Total Curent Assets		**3,035,210**	3,032,343
NON-CURRENT ASSETS			
Financial assets at FVOCI	3, 11	**1,472,000**	80,000
Property and equipment, net	3, 12	**1,250**	2,083
Investment property	3, 13	**1,075,000,000**	1,035,000,000
Deferred tax asset	3, 15	**1,080,166**	1,058,906
Total Non-current Assets		**1,077,553,416**	1,036,140,989
TOTAL ASSETS		**1,080,588,626**	1,039,173,332

LIABILITIES AND EQUITY

CURRENT LIABILITIES			
Accruals and other payables	3, 16	**3,435,758**	2,913,269
Income tax payable	3, 15	**-**	117
Total Current Liabilities		**3,435,758**	2,913,386
NON-CURRENT LIABILITIES			
Advances from shareholders	3, 18	**81,004,840**	74,594,840
Retirement benefits payable	3, 17	**4,320,665**	4,235,626
Total Non-current Liabilities		**85,325,505**	78,830,466
TOTAL LIABILITIES		**88,761,263**	81,743,852
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	3, 19	**636,564,296**	636,563,546
Remeasurement gain on retirement benefits payable	3, 17	**492,425**	333,171
Unrealized gain on financial assets at fair value through other comprehensive income	3, 11	**672,000**	-
Retained earnings	3	**354,354,590**	320,785,609
		992,083,311	957,682,326
NON-CONTROLLING INTEREST	3, 24	**(255,948)**	(252,846)
TOTAL EQUITY		**991,827,363**	957,429,480
TOTAL LIABILITIES AND EQUITY		**1,080,588,626**	1,039,173,332

(See Notes to Consolidated Financial Statements)

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
OTHER INCOME			
Reversal of impairment loss on investment	11	**720,000**	-
Interest income	8, 9	**1,369**	7,294
Unrealized gain on foreign exchange, net	8, 21	**35,970**	111,276
Total Other Income		**757,339**	118,570
ADMINISTRATIVE EXPENSES	23	**7,265,804**	23,955,832
LOSS BEFORE FAIR VALUE ADJUSTMENT AND INCOME TAX		**(6,508,465)**	(23,837,262)
FAIR VALUE ADJUSTMENT			
Unrealized fair value gain from investment property	13	**40,000,000**	103,000,000
INCOME BEFORE INCOME TAX		**33,491,535**	79,162,738
INCOME TAX BENEFIT			
Current		-	117
Deferred		**(74,344)**	(70,551)
Income Tax Benefit	15	**(74,344)**	(70,434)
NET INCOME FOR THE YEAR		**33,565,879**	79,233,172
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified subsequently to profit or loss:			
Unrealized gain on financial assets at fair value through other comprehensive income	11	**672,000**	-
Remeasurement gain on retirement benefits payable, net of tax	3, 17	**159,254**	182,962
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		**34,397,133**	79,416,134
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Owners of the parent		**33,568,981**	79,236,164
Non-controlling interest	3, 24	**(3,102)**	(2,992)
		33,565,879	79,233,172
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Owners of the parent		**34,400,235**	79,419,126
Non-controlling interest	3, 24	**(3,102)**	(2,992)
		34,397,133	79,416,134
EARNINGS PER SHARE:			
Basic	3, 25	**0.05**	0.12
Diluted	3, 25	**0.05**	0.12

(See Notes to Consolidated Financial Statements)

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

			Equity Attributable to Equity Holders of Parent Entity					
	Notes	Share capital (Note 19)	Remeasurements on retirement benefits payable (Note 17)	Unrealized gain on financial assets at fair value through other comprehensive income (Note 11)	Retained earnings	Equity attributable to equity holders of the non-controlling interest (Note 24)	Total equity
SHARE CAPITAL							
Authorized 1,800,000,000 shares at P1 par value per share	1,800,000,000	4, 19					
Issued and Subscribed 652,500,000 shares at P1 par value per share	652,500,000	4, 19					
Subscription receivable	15,936,454	19					
Paid- up 636,563,546 shares at P1 par value per share	636,563,546	4, 19					
Balance at January 1, 2024		**636,563,546**	**150,209**	**-**	**241,549,445**	**(249,854)**	**878,013,346**
Total comprehensive income (loss):							
Income (Loss) for the year		-	-	-	79,236,164	(2,992)	79,233,172
Other comprehensive income for the year	17	-	182,962	-	-	-	182,962
Total comprehensive income (loss) for the year		**-**	**182,962**	**-**	**79,236,164**	**(2,992)**	**79,416,134**
Balance at December 31, 2024		**636,563,546**	**333,171**	**-**	**320,785,609**	**(252,846)**	**957,429,480**
Full payment of subscription and issuance of share capital		750	-	-	-	-	750
Total comprehensive income (loss):							
Income for the year		-	-	-	33,568,981	(3,102)	33,565,879
Other comprehensive income for the year	17	-	159,254	672,000	-	-	831,254
Total comprehensive income (loss) for the year		**-**	**159,254**	**672,000**	**33,568,981**	**(3,102)**	**34,397,133**
Balance at December 31, 2025		**636,564,296**	**492,425**	**672,000**	**354,354,590**	**(255,948)**	**991,827,363**

(See Notes to Consolidated Financial Statements)

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**33,491,535**	79,162,738
Adjustments for:			
Unrealized fair value gain from investment property	13	**(40,000,000)**	(103,000,000)
Reversal of impairment loss on investment		**(720,000)**	-
Impairment loss on exploration and evaluation asset	23	**-**	16,824,116
Accrual of retirement benefits expense	17, 23	**297,377**	282,204
Depreciation	12, 23	**833**	417
Accrual of real property tax		**495,000**	495,000
Unrealized gain on foreign exchange, net	8, 23	**(35,970)**	(111,276)
Interest income	8	**(1,369)**	(1,454)
Operating loss before working capital changes		**(6,472,594)**	(6,348,255)
Decrease (Increase) in:			
Other receivables		**29,800**	(12,388)
Prepayments		**4,677**	3,307
(Decrease) Increase in:			
Accruals and other payables		**27,489**	(301,117)
Cash used in operations		**(6,410,628)**	(6,658,453)
Income tax paid		**(117)**	-
Interest received	8	**1,369**	1,454
Net cash used in operating activities		**(6,409,376)**	(6,656,999)
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisition of property and equipment	12	**-**	(2,500)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from payment of subscription and issuance of share capital		**750**	-
Additional advances from shareholders	19	**6,410,000**	6,340,000
Net cash provided by financing activities		**6,410,750**	6,340,000
EFFECT OF EXCHANGE RATE CHANGES ON CASH	8, 21	**35,970**	111,276
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**37,344**	(208,223)
CASH AND CASH EQUIVALENTS, January 1		**2,982,751**	3,190,974
CASH AND CASH EQUIVALENTS, December 31	8	**3,020,095**	2,982,751

(See Notes to Consolidated Financial Statements)

NOTE 1 - GENERAL INFORMATION

Imperial Resources, Incorporated (the 'Parent Company') was incorporated and registered in the Philippines with the Securities and Exchange Commission (SEC) per Registration No. 39243 on September 5, 1969. It is a publicly listed company with shares traded on the Philippine Stock Exchange under ticker symbol "IMP".

The primary purpose of the Parent Company is to carry on the business of operating coal mines, and of prospecting, exploration and of mining, milling, concentrating, converting, smelting, treating, refining, preparing for market, manufacturing, buying, selling, exchanging, and producing, and dealing in all kinds of ores, metals and minerals, asphalt-bitumen, hydrocarbons, acids and chemicals, and in the products and by-products of every kind and description and by whatever process, can be or may be produced; to purchase, lease, option, locate or acquire, own, exchange, sell, or dispose of, pledge, mortgage, deed in trust, hypothecate, and deal in mines, mining claims, mineral lands, coal lands, timber lands, water and water rights, and other property, both real and personal. The Parent Company's current principal activity is the holding of mineral rights and investment properties. No active exploration or educational operations were undertaken in 2024. Management continues to evaluate asset optimization strategies, including leasing idle property and evaluating new business directions.

The Parent Company holds 99% interest in Philippine Cyber College Corporation (PCCC or the 'Subsidiary') with principal place of business at 82-J 4th Street, Barangay Mariana, New Manila, Quezon City. The Subsidiary was registered with the SEC on May 30, 2000 per Registration No. A20007650 to own, operate, manage and maintain a school of learning, offering, kindergarten or pre-school training, as well as primary, secondary and tertiary levels of school instructions and to develop and educate students in accordance with approved curriculum prescribed by the government, and in connection therewith, to obtain the required permits and government recognition for the operation of said educational institution and the authority to confer certificates of completion/graduation and/or diploma; further, to own, lease and acquire the use and possession of land for school campus, school buildings and properties for school facilities. The Subsidiary had management and technical agreement with two I.T. learning centers located in Baguio and Malolos, Bulacan. However, in June 2008 the two learning centers temporarily suspended their operations. Management decided to shift from I.T. education project to technical vocational education, training and assessment project. Since the latter part of 2009, the Subsidiary's operations have remained suspended.

On October 2, 2013, a special meeting of the Board of Directors (BOD) was called to consider, among other matters, the amendment of the Articles of Incorporation, specifically the articles pertaining to the change of name of the Company to Century Sun Services, Inc. which was already approved by the BOD and reserved with the SEC. Also, a proposal was raised for the amendment of the purpose of the Company. It was also proposed that the corporate term be extended for another 50 years. Finally, another proposal was submitted to increase the authorized capital stock from P1,800,000,000 to P6,000,000,000. Upon motions made and duly seconded, the proposed amendments were unanimously approved by the BOD. On July 10, 2014, in the regular annual stockholders' meeting, the same had been confirmed and ratified. As of December 31, 2025, the Parent Company's management has not acted on the amendment of Articles of Incorporation.

The Parent Company and its Subsidiary (collectively referred to as the 'Group') has eight employees as at December 31, 2025 and 2024.

The Group's principal place of business is Unit 202 Villa Building, No. 78 Jupiter Street corner Makati Avenue, Barangay Bel-Air, Makati City, Metro Manila, the business address is 82-J 4th Street, Barangay Mariana, New Manila, Quezon City and the registered office is 3762-C Cuenca corner Emilia Streets, Barangay Palanan, Makati City, Metro Manila.

The consolidated financial statements have been approved and authorized for issuance by Mr. Desiderio L. Laperal, Vice President and CFO, on behalf of the Board of Directors on April 8, 2026.

NOTE 2 - STATUS OF OPERATIONS

Parent Company

Since 2005, the Parent Company has been evaluating mining projects and has narrowed down the prospective mining properties to gold mining, asphalt mining and energy.

P.T. Asphal Buton Nasional

In January 2009, the Parent Company signed a Memorandum of Agreement (MOA) with P.T. Asphal Buton Nasional, an entity organized and existing under the laws of Indonesia, which was granted mining rights covering 1,940 hectares of Mining Exploration Concession (MEC) located at Buton Island, South East Sulawesi Province, Indonesia. With the deposit amounting to P7,090,500 (US$ 150,000) made by the Parent Company to the said Indonesian entity in 2008, the Parent Company was granted the exclusive rights of exploration, exploitation, development and operation of the above-described mining concessions during its lifetime and over such additional future mining concessions that P.T. Asphal Buton Nasional may acquire or be awarded.

In 2009, the Indonesian partners obtained the services of Jurusan Teknik Pertambangan, Fakultas Teknologi Mineral, Universitas Pembangun Nasional "Veteran" Yogyakarta to conduct a geophysic and geophysical (Electric Resistivity) study of the Buton asphalt in Wakaokili and Waangu-angu, Pasarwajo, Kabupaten Buton. The geophysical interpretation data was necessary to determine the site for drilling exploration and the depth and thickness of asphalt-bearing rock.

In August 2010, the Parent Company supplied a few samples of rocks gathered from the mining property to Toyo-Union Co. Ltd. (TUCL) and expressed an intention to have a business association with them, subject to terms and conditions, including confidentiality and exclusivity rights reserved for the Parent Company. The Parent Company and TUCL signed a MOA on September 13, 2010. In 2011, the engineers and geologists of TUCL together with the engineers from P.T. Asphal Buton Nasional were able to go to the asphalt concession areas and collected about 60 kilos of samples and TUCL was able to bring samples to Tokyo. However, the project with TUCL did not prosper.

During the second half of 2011, the MEC of P.T. Asphal Buton Nasional were expiring. However, because of the significant geophysical electric resistivity survey conducted and arranged by P.T. Asphal Buton Nasional funded by the Parent Company, the Parent Company decided to extend the validity of the agreement. After further geophysical activities and meeting all requirements with the funding from the Parent Company, P.T. Asphal Buton Nasional was able to secure the approval for the extension of the MEC for an additional period of two years.

In 2011, the Parent Company has spent US$220,000 for additional geologic works/studies needed for the preparation of the project feasibility report and environmental impact report required pending conversion of P.T. Asphal Buton Nasional exploration permit to development and exploitation permit. In 2012, the Parent Company spent US$120,000 for more geological works and studies. The project feasibility report and environmental impact report (the 'reports') written in Bahasa Indonesia upon completion were submitted to the Indonesian authorities for approval. The Parent Company funded the translation of the reports from Bahasa Indonesia to English in 2012. The English version reports would be used by the

Parent Company in negotiating with the foreign investors for possible joint venture or capital funding considering that this project entails a huge capital outlay. In 2013, Parent Company financed the cost of another extension of the MEC.

In 2014, the Parent Company spent US$50,000 for obtaining informal approval for the exploitation concession of the 1,722 hectares located at Waangu-Angu area and US$52,000 for the preparation of the required technical reports on the post-production program to restore most of the mined-in areas to usable condition.

Forming as integral parts of the mining explorations activities and based on the results of the review and evaluation, P.T. Asphal Buton Nasional was qualified to be given approval on the increase in activity under the Production Operation Mining Agreement. Pursuant thereto, a Decree of the Regent of Buton, identified as No. 333 Year 2014 and No. 334 Year 2014, covered under the title of "Improved Operating License Agreement Mining Exploration Permits Mining Operations into Production" was issued. The regional-wide Mining Permit under Decree 333 Year 2014 covers 218.5 hectares while Decree No. 334 Year 2014 covers 1,722 hectares both located at Waangu-Angu, Pasarwajo, District of Buton, province of Southeast Sulawesi.

The term of the mining permit is for 20 years: two years for construction stage and 18 years for production stage and can be extended twice, respectively for ten years. This decree enumerates all the laws embodying the terms, conditions, and national and local government regulations to be implemented in the furtherance of the mining production activities.

Proceeding to the production operation stage during the early part of 2015 in compliance with governmental laws especially in Environmental management Mr. Eddy Surohadi, for the account of PT Aspal Buton and PT Indominas, presented a budget to cover the cost of technical and tax expenses on the CNC (Clean and Clear Certificate) IUP Production Program for thel,722 hectares. The total estimated expenses amounting to UD$ 99,250 were presented as follows:

		Amount
1. Reclamation guarantee	$	30,000
2. Mine closure guarantee		30,000
3. Earth and building tax		950
4. Annual fee tax		550
5. Work plan and budget cost		5,000
6. Annual work plan and environment engineering		5,000
7. Report on implementation of the management and enronment monitoring		2,500
8. Construction and installation of the mining area 1,722 Ha. Boundary		22,000
9. Miscellaneous expenses		3,250
	$	99,250

The Parent Company remitted the amount of US$99,250 to Mr. Eddy Surohadi for the account of P.T. Asphal Buton and P.T. Indominas to cover the said budget and expenses. There were no subsequent remittances made from 2016 to date.

P.T. Indominas

In December 2009, the Parent Company deposited P4,705,000 (US$100,000) to P.T. Indominas to acquire other mining rights in Indonesia which the Parent Company subsequently charged to exploration and evaluation assets during the year.

On January 17, 2010, the Parent Company signed a MOA with P.T. Indominas, an entity duly organized and existing under the laws of the Republic of Indonesia, with principal office address at JL. Klampis Anom II/29, Surabaya, Indonesia (the 'Claim owners'). After January 17, 2010, the Claim owners expect to be granted Mining Rights by the government state corporation Perusahaan Daerah (Perusda) Pd. Utama Sultra of South East Sulawesi of the Republic of Indonesia, covering an approximate 4,779 hectares MEC at South East Sulawesi Province of the Republic of Indonesia. The Claim owners granted the Parent Company the exclusive rights to do preliminary studies before choosing the area to be developed. If the results of the studies are favorable, the Parent Company shall pay another US$170,000 upon approval of the conversion of the selected areas into MEC. Within 30 days after the Claim owners shall have obtained and delivered to the Company all government approvals, permits, extensions and licenses, the Parent Company at the sole expense shall start geological and geophysical surveys on the mining concessions for the purpose of determining the potentials for commercial operations, development and exploitation of the MEC.

The preliminary geologic survey on the proposed subject area indicated possible deposits. Outside and a bit far from the subject area, there are many gold panners. The Parent Company is also evaluating the peace and order situation in the area. After evaluating several factors, the Parent Company will have a better total picture of the business prospects of the gold mining project.

In the third quarter of 2015, Mr. Oliverio G. Laperal, Sr. then the incumbent President and Chief Executive Officer (CEO), suffered a stroke that incapacitated him. Consequently, all funding requirements for the Indonesian project with P.T. Indominas were temporarily suspended. From the start of the project, it was only Mr. Oliverio G. Laperal, Sr. who had been actively involved with the Indonesian partners. The Indonesian partners directly reported to Mr. Laperal about the status, progress, development of the project including the financial and technical requirements and disposition of budgets released to them. From the time the former President and CEO became sick and until his death in 2018 there was no formal report submitted to the Parent Company about the status of the project. It was learned, however, that the Indonesian partners have been continuously looking for foreign partners to invest in the project by way of joint venture agreements because of its viability.

On March 16, 2017, in the special meeting of the BOD, it was resolved that while the Parent Company is proceeding with caution and at the same time re-evaluating its Indonesian mining projects owing to the precipitous fall in the world price of crude, the Parent Company is at present inclined to pursue the said project for that reason the Indonesian partners have been continuously looking for foreign partners to invest the capital needed after they have secured formal approval of the exploitation concession because of its viability. Furthermore, the Parent Company has been studying and evaluating a project cost study submitted by a project proponent pertaining to silica sand quarrying and processing operation. The Parent Company is aware of the increasing demand for flat glass and glass bottles by local glass manufacturing companies. Management has been evaluating the impact of the latest environmental policies, regulations and pronouncements made by various government agencies on the feasibility and sustainability of the project. Another important factor being considered by management is the peace and order situation in the prospective silica mining sites.

In 2018, the new President, Desiderio L. Laperal travelled to Europe for preliminary discussions and observation of IT-based business applications related to remote sensing of marine and land resources, land use, and community development. The President observed driver-less autonomous farm machinery, robotic steel fabrication and remote-controlled fisheries management systems. He was impressed with the Green Energy initiatives mandated by the European Union, which are meant to encourage more reliance

on renewable power such as air turbines, hydro and solar. All of these applications and the downstream business opportunities are relevant to the Parent Company.

In June 2019, the President travelled to Europe to meet with potential partners and continue discussions on investment opportunities in the Philippines. On that trip, he accompanied two Italian businessmen to the Philippine Consul in Milan, Italy to confer with Consul General Irene Susan Natividad and Consul Mersole Mellejor. The President invited the two Italian businessmen to visit Manila in 2019 but the date was subsequently reset to March 2020. The COVID-19 pandemic has caused the visit to be cancelled.

Immediately after the Government imposed the Enhanced Community Quarantine (ECQ) on March 15, 2020, the management gave priority to the safety and well-being of its employees by temporarily stopping the operations of the Parent Company. The quarantine entailed more expenses and difficulties for the employees to meet their daily needs and health issues. To allay the fears and anxieties of its employees facing uncertainties about their finances as well as health conditions one of the officers of the Parent Company advanced the employees' 13th month pay and paid leave in full.

After two months of lockdown on May 18, 2020 when the Modified Enhanced Community Quarantine (MECQ) was imposed, the Parent Company started operating again. The primary concern of the Parent Company was how to keep its employees fit to work, protect them from being infected with the COVID-19 virus and implementing the many government-imposed restrictions and guidelines. The Parent Company had developed certain guidelines in line with the prescribed procedures by the government to mitigate the negative effects of the pandemic on its employees' mental well-being and physical and emotional health.

The development of vaccine by various pharmaceutical companies against COVID-19 during the latter part of 2020 boosted the hopes for global economic recovery. However, this was disrupted by the unrelenting spike of COVID-19 Delta variant cases in 2021. The economic gains derived from the government's vaccination program were dented by the surge of the highly contagious but less severe Omicron variant.

Management has been using various modes of remote communication such as teleconferencing, videoconferencing and electronic mail system. The new normal way of conducting staff meetings is videoconferencing. All the meetings of the BOD including the annual stockholders' meeting in 2020 were held through videoconferencing. All the members of the BOD attended the PSE-SEC Corporate Governance Forum on July 10, 2020 and July 10, 2021 to keep abreast of the effects of the COVID-19 pandemic on the national economy and the people, risk management strategies, pursuit of corporate sustainability based on experiences from the pandemic and SEC regulatory updates. The members of the BOD were enlightened about the importance of sustainability reporting in mitigating various risks.

After studying, evaluating, and analyzing the Parent Company's current office and work set-up and the nature of the work of the employees, management concluded that the work-from-home mode of work is difficult to adopt. There are accounting activities and transactions doable only at the office. Employees' lack of computer equipment, inadequate internet connections at their homes and their home conditions are not suited for home-based work are some reasons why the work-from-home cannot be adopted. The plan of management to adopt skeletal force to minimize cost was shelved because of limited manpower.

This COVID-19 pandemic has greatly affected the human and financial resources of the Parent Company. The Parent Company's survival has been a pressing and challenging issue. Management is concerned not only about sustainability but also the capability of its human resources to meet the demands of these challenging times efficiently and effectively. Despite the economic and health benefits management has been extending its employees they still experience anxiety, lack of focus and concentration, fear for the health of their families, frequent absences and uncertainty of the future resulting in a below-par performance in discharging their duties and responsibilities. The administrative costs for the year 2020 went up due to the transportation and gasoline expenses incurred in transporting its employees and use of

vehicles for messengerial activities. The medical and dental expenses of the employees also increased due to the mandatory rapid and swab testing and more frequent medical check-ups. Office and other supplies increased due to the COVID-19-related supplies purchased. In 2021, the retirement of an employee in the latter part of 2020 decreased the cost of gasoline used for transporting him to and from the office. Also, due to the vaccination program in 2021, the medical expenses have decreased since there's a lesser cost incurred for rapid and swab-testing as well as medical check-ups of employees. Business opportunities in 2020 and 2021 had not been actively pursued due to the pandemic, however, in 2022, as soon as health and travel conditions improved, Management pursued a business meeting and discussion with the Indonesian Partners for further exploratory and mining activities of the project.

The Parent Company is considering to defer its mining exploration with P.T. Aspal Buton and P.T. Indominas, in Buton Island and Waangu-Angu, Wakaokili, Sulaweshi, Indonesia, owing to:

(i) countervailing duties or tariff taxes imposed by foreign States on crude gas and oil;
(ii) precipitous fall in the price of crude gas and oil;
(iii) risk management about the peace and order in the prospective mining areas/sites;
(iv) variability and precariousness in the conduct and development of geologic and geophysical (Electric Resistivity) surveys for commercial gas and oil exploration, drillings and discovery;
(v) eventual expiration of the mining exploration concession/permit;
(vi) restrictive and/or prohibited environmental impact mitigating measures and requirements;
(vii) suspension of budgetary activities during the production operation stage due to the deteriorating physical condition of the former President, Mr. Oliverio G. Laperal, Sr., after a stroke and eventual demise on August 26, 2018;
(viii) pending probate court proceedings for the administration, management, distribution and partition of the Eighty-Three point Seven One Four percent (83.714%) of the total shares of the capital outstanding of Imperial Resources Incorporated issued in the name of Oliverio G. Laperal, Sr.;
(ix) pending project assessment and financial report of Mr. Eddy Surohadi with documentary proofs in support of the various disbursements/expenses for the mining project as well as the status of the Production Operations Mining Agreement issued by the Indonesian government to P.T. Aspal Buton; and
(x) ominous tensions among several foreign States as well as the rippling effect of the wars between the States of Russia and Ukraine, Israel and Palestine.

Commitment of support of shareholders

In prior years, the Parent Company received continuing financial support from its major shareholders, including the late Mr. Oliverio G. Laperal Sr. and entities under the Laperal family group, to sustain its operations and fund its projects.

As of December 31, 2025, the Parent Company continues to rely on the financial support of its shareholders. The Laperal family, through LTC Real Estate Corporation has expressed its intention to provide ongoing financial assistance as needed to support the Parent Company's operations and project development.

During the year ended December 31, 2025, LTC Real Estate Corporation provided cash advances amounting to P6,410,000 and P6,340,000, respectively (see Note 14). These advances are unsecured, non-interest bearing, and have no fixed terms of repayment.

In view of the Parent Company's financial condition, the shareholders have not demanded immediate repayment of these advances and have agreed to defer settlement until such time that the Parent Company has sufficient financial resources to do so.

The Parent Company recognized an impairment loss on its exploration and evaluation assets in prior years, which continues to affect its financial position. Notwithstanding this, the shareholders have

reaffirmed their commitment to provide financial support to enable the Parent Company to continue as a going concern and to meet its obligations as they fall due.

Management has assessed that, with the continued financial support from its shareholders, the Parent Company will be able to sustain its operations and discharge its liabilities in the normal course of business.

Subsidiary

The Subsidiary incurred net losses of P310,216 and P299,159 for the years ended December 31, 2025 and 2024 resulting in capital deficiencies amounting to P25,594,519 and P25,284,303 as at December 31, 2025 and 2024, respectively. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Subsidiary's ability to continue as a going concern.

On March 20, 2013, during the meeting of the Management Committee, whose members are also directors and represented a majority of the BOD, unanimously resolved and approved the dormancy status of the Subsidiary due to its non-operation since 2010 and significant losses it had incurred.

In 2015, the Subsidiary entertained inquiries or proposals to lease its building in Baguio City. The management was hoping to have the building rented out in 2016 for a rental income of P35,000 per month. Consequently, the Subsidiary has changed its basis of accounting from a liquidation basis to going-concern basis.

In 2016, an interested party proposed to rent the building to be used as its marketing office for P35,000 per month. On March 16, 2017, at the special meeting of the BOD, it was resolved that the Vice-Chairman and Vice-President, are authorized and empowered to negotiate, transact, conclude, execute and sign, for and on behalf of the Subsidiary, agreements or contracts for the lease of the property in Baguio as well as to deliver such necessary records, documents or papers pertinent to or in its implementation.

It was resolved further that the same person is authorized and empowered to agree on the terms, conditions and stipulations, and the price of the lease, for the best interest of the Subsidiary. However, due to the change of marketing plans of the prospective lessee, the lease agreement was not finalized. Early in 2018, an interested party made an offer to lease the building to be used as a primary school for P40,000 per month. However, the negotiation bogged down.

Despite the presence of the caretaker to prevent informal settlers to enter and use the property as their dwelling place, in 2013, management decided to allow Philippine National Police Internal Affairs Services (PNP-IAS) to use a portion of the ground floors as its office for free. During the latter part of 2018, the PNP-IAS moved out of the property. In 2019, the management repaired and repainted the building to better attract potential lessees considering its good location. Accordingly, the Subsidiary continued its reporting under the going-concern basis of accounting.

In June 2020, management received a proposal from an educational institution to lease the Baguio property to set up a school for its mainstream learning and distant learning programs at P75,000 per month. The prospective lessee wanted a minimum of a five-year lease contract. The negotiation did not prosper.

In January 2021, another interested party submitted a proposal to lease the Baguio property for its planned bed and breakfast business at P75,000 per month for two years. Management evaluated the proposal including some conditions proposed by the lessee in line with the short and long-term effects of the COVID-19 pandemic on the business of the Subsidiary and the lessee. However, the negotiation was overtaken by the surge of COVID-19 (Delta Variant) cases in the area and the lessee did not pursue it. Because of the proclamation of the government entities involved to resume progressive expansion of face-to-face classes both in public and private in areas designated, management was confident that it can find a lessee during the year 2022.

In February 2023, an inquiry was received from an officer of the Registry of Deeds of Baguio City asking whether the School Building of the Company in Baguio City is available for lease. After a brief discussion, the prospective lessee was then requested to submit its proposal(s) and/or Letter of Intent for the consideration of the BODs. From there, the office has yet to receive the desired letter of firm interest to lease.

In March 2023, the Subsidiary received a proposal from an entity in the food and industry business specializing on Korean cakes, pastries and bread to rent the former's Baguio City property for its expansion program in the area. The prospective lessee proposed a P100,000 per month rent for three years with a 5% increase every after two years plus one month deposit and two months advance rent for a term of five years with an option to renew. For its proposed building renovation, it submitted a site development plan, ground floor plan and second-story plan. At present Management is currently studying and evaluating the proposal considering the prevailing market climate.

The Subsidiary has been non-operational since 2009. The property owned in Baguio has remained idle and is under review for potential lease or sale. No revenue was generated from this asset in 2025.

The Parent Company has committed to continue providing financial support to the Subsidiary for its working capital and payment of all its debts when they fall due. Given the financial condition of the Subsidiary, the Parent Company does not demand immediate repayment of its advances to the Subsidiary.

Going concern

The accompanying financial statements have been prepared on a going concern basis, which assumes that the Parent Company will realize its assets and settle its liabilities in the normal course of business.

The Parent Company has had no commercial operations since 2010 and, as of December 31, 2025 has no immediate plans to resume mining operations. The Parent Company's ability to continue as a going concern depends on its capacity to maintain sufficient financial support, preserve its key licenses and rights, meet statutory and regulatory requirements, and generate or obtain adequate funding for its ongoing corporate and project holding costs.

Management has assessed these conditions and concluded that there is no material uncertainty related to the Parent Company's ability to continue as a going concern. Accordingly, these financial statements include the corresponding disclosures regarding such material uncertainty.

Despite the recognition of impairment losses on exploration and evaluation assets in 2025 and 2024, the Parent Company has maintained financial stability through continued support from LTC Real Estate Corporation, which has provided cash advances ensuring funding for operating expenses. Additionally, the Parent Company has reaffirmed its commitment to providing financial assistance to the Subsidiary for working capital and debt payments, thereby alleviating immediate repayment demands. These factors collectively indicate management's confidence in the Parent Company's ability to sustain its operations, justifying the use of the going concern basis in the preparation of the consolidated financial statements.

Sustainability-related matters

The Parent Company is a publicly listed mining entity. However, it has not conducted mining and related operating activities since 2010 and, as of the date of approval of these financial statements, management has no immediate plan to commence mining operations in its existing project area.

Accordingly, management assessed the relevance of sustainability-related matters to these financial statements based on the Parent Company's present facts and circumstances. Since the Parent Company has no operating mining activities during the reporting period, there were no active extraction, processing,

transport, tailings, or similar operational activities that gave rise to significant current-year sustainability-related operating metrics ordinarily associated with an active mining business.

Notwithstanding the foregoing, management continues to monitor matters that may have financial statement implications, including:

(a) compliance with applicable legal and regulatory requirements attached to the Parent Company's corporate and mineral rights status;
(b) environmental protection, site preservation, care and maintenance obligations, if any;
(c) asset recoverability and possible impairment of mining properties, exploration and evaluation assets, and other related non-financial assets; and
(d) provisions, contingent liabilities, and commitments relating to rehabilitation, restoration, decommissioning, and other environmental matters, where present obligations exist.

As of December 31, 2025, management determined that, except as otherwise disclosed in these financial statements, there are no material sustainability-related liabilities, provisions, or contingencies required to be recognized or separately disclosed arising from current operations, since the Parent Company has remained non-operational. Where applicable, sustainability-related matters that could reasonably be expected to affect the Parent Company's financial position, financial performance, or cash flows are reflected in the relevant notes to these financial statements.

Because the Parent Company is currently dormant, its sustainability-related exposures are presently limited principally to governance, regulatory compliance, asset preservation, and stewardship of any remaining mining rights or site-related responsibilities, rather than to active operational impacts.

NOTE 3 - BASIS OF PREPARATION, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below to facilitate an understanding of the data presented in the consolidated financial statements. These policies have been consistently applied, unless otherwise stated.

3.1 Basis of preparation

The consolidated financial statements of the Group have been prepared using the historical cost basis. The accompanying financial statements are presented in Philippine Peso (P) which is the Group's functional and presentation currency.

3.2 Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards.

These financial statements have been prepared under the historical cost convention, except for certain financial assets measured at fair value. The financial statements are presented in Philippine Peso, the Group's functional currency.

The preparation of the consolidated financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment, complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

Basis of Consolidation

These consolidated financial statements consist of the financial statements of Parent Company and its Subsidiary. The financial statements of the Subsidiary are prepared for the same reporting period as the Parent Company using consistent accounting policies.

	Principal place of business	Principal activities	Effective ownership	
			2025	2024
PCCC	Philippines	Technical vocational education	**100%**	100%

Subsidiary

A subsidiary is an entity that is controlled by another entity. Control is when the latter is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the subsidiary.

The Parent Company has the power to govern the financial reporting policies generally accompanying a shareholding of more than one-half of the voting rights of the Subsidiary. The Parent Company obtains and exercises control through voting rights. The existence and effect of potential voting rights that are currently exercisable and convertible are considered when assessing whether the Parent Company controls another company. Consolidation begins from the date the Parent Company obtains control of the Subsidiary and ceases when it loses control.

All intragroup balances, income and expenses and unrealized gains and losses from intragroup transactions are eliminated in full.

Non-controlling Interest (NCI)

NCI represents the portion of profit or loss and other comprehensive income and the net assets not held by the Parent Company and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity holders of the Parent Company. Transactions with NCI are accounted for using the entity concept method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

3.3 Changes in accounting policies and disclosures

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

3.3.1 New amendment to existing standards effective in the current year

The adoption of the new and amended standards and interpretations did not have significant impact on the Group's financial statements, unless otherwise stated.

Adoption of new and revised accounting standards effective from January 1, 2025 to December 31, 2025

Effective beginning on or after January 1, 2025

PFRS 17, Insurance Contracts

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The adoption of the new standard does not have an impact on the Group for it is not an issuer of insurance contracts.

Amendments to PAS 21 – Lack of Exchangeability

The amendments to Philippine Accounting Standard (PAS) 21, *The Effects of Changes in Foreign Exchange Rates*, addressing Lack of Exchangeability, are effective January 1, 2025. These amendments provide guidance on assessing whether a currency is exchangeable into another currency and how to determine the exchange rate when exchangeability is lacking.

Under the amendments, a currency is considered exchangeable when an entity can:

- Obtain another currency within a reasonable period, and
- Exchange the currency at an amount that approximates the quoted exchange rate.

When exchangeability is lacking, an entity is required to estimate the exchange rate at which the exchange would have occurred using:

- Official exchange rates,
- Parallel market rates, or
- Other observable inputs reflecting economic conditions.

The amendments also require disclosures on the nature and extent of exchange restrictions, the method used to estimate exchange rates, and any significant assumptions or uncertainties. These amendments are not expected to have a material impact on the Group's financial statements upon adoption.

Effective beginning on or after January 1, 2026:

Amendments to PFRS 9 and PFRS 7, Amendments to the Classification and Measurement of Financial Instruments

Amendments to PFRS 9 and PFRS 7, Contracts Referencing Nature-dependent Electricity

Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to the following standards:

Amendments to PFRS 7, Financial Instruments: Disclosures

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13. The amendments to paragraph IG1 of the Guidance on implementing PFRS 7 clarified that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7, nor does it create additional requirements. The amendments to paragraph IG14 of the Guidance on implementing PFRS 7 made the wording consistent with the requirements in paragraph 28 of PFRS 7 and with the concepts and terminology used in PFRS 9 and PFRS 13. The amendments to paragraph IG20B of the Guidance on implementing PFRS 7 simplified the explanation of which aspects of the PFRS requirements are not illustrated in the example.

Amendments to PFRS 9, Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

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

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures. The amendments will apply in future transactions of the Group.

Effective January 1, 2027:

Amendments to PAS 21, translation to Hyperinflationary Presentation Currency

The amendments address the lack of clarity on how an entity translates financial statements when the presentation currency is the currency of a hyperinflationary economy. The amendments clarify that when financial statements are translated into a hyperinflationary presentation currency, the entity must first restate the financial statements in accordance with PAS 29, Financial Reporting in Hyperinflationary Economies. The restated financial statements are then translated into the presentation currency using the closing exchange rate. The amendments ensure consistent application of the translation requirements and improve comparability of financial statements presented in hyperinflationary currencies.

PFRS 18, *Presentation and Disclosure in Financial Statement*

PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

Material accounting policy information and financial reporting policies

3.4 Current versus noncurrent classification

The Group presents assets and liabilities in the consolidated statement of financial position based on a current and noncurrent classification.

An asset is current when it is:

(a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
(b) Held primarily for the purpose of trading;
(c) Expected to be realized within 12 months after the reporting period; or
(d) Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

(a) It is expected to be settled in the normal operating cycle;
(b) It is held primarily for the purpose of trading;
(c) It is due to be settled within 12 months after the reporting date; or
There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as noncurrent.

3.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.5.1 Classification

The Group classifies financial assets and liabilities according to the categories described below. Management determines the classification of the financial assets and liabilities at initial recognition.

3.5.1.1 Financial assets

The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group classify financial assets in the following categories:

a. Financial assets at amortized cost

Financial assets at amortized cost are debt instruments where contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The Group's financial assets classified under this category consist of cash and cash equivalents, other receivables and refundable deposit (Notes 8, 9 and 14).

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at FVOCI comprise:

- *Debt instruments* where contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling financial instruments.

- *Equity instruments* that are not held for trading and which the Group has irrevocably elected at initial recognition to recognize in this category. This election is made on an instrument-by-instrument basis.

The Group's financial asset under this category consists of investment in stocks quoted in an active market (Note 11).

Financial assets at fair value through profit or loss (FVPL)

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

The Group has no financial assets under this category.

3.5.1.2 Financial liabilities

The Group classifies financial liabilities into the following categories:

a. *Financial liabilities at FVPL*

Financial liabilities at FVPL or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Group has no financial liabilities under this category.

b. *Financial liabilities at amortized cost*

Financial liabilities that are not classified as at FVPL fall into this category and are subsequently measured at amortized cost. They contain contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than an exchange of a fixed amount of cash. They are

included in current liabilities, except for maturities greater than 12 months after the reporting period which are classified in non-current liabilities.

The Group's financial liabilities classified under this category consist of accruals and other payables (except payable to government agencies) and advances from shareholders (Notes 16 and 18).

3.5.2 Recognition and measurement

a. Initial recognition and measurement

Except for trade receivables that do not contain a significant financing component which are measured at the transaction price, the Group initially measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

If the fair value of the financial asset or financial liability at initial recognition differs from the transaction price, the Group shall recognize the difference as a gain or loss.

Regular way purchases and sales of financial assets are recognized on the trade-date, e.g., the date on which the Group commits to purchase or sell the asset.

b. Subsequent measurement

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired.

For equity instruments designated at FVOCI, gains and losses are never recycled to profit or loss. Dividends are recognized as income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance costs in the consolidated statement of comprehensive income.

3.5.3 Derecognition

3.5.3.1 Financial assets

The Group shall derecognize a financial asset only when:

(a) the contractual rights to the cash flows have expired or are settled, or
(b) the Group transfers to another party substantially all of the risks and rewards of ownership, or
(c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Group shall:

(i) derecognize the asset, and
(ii) recognize separately any rights and obligations retained or created in the transfer.

The carrying amount of the transferred asset shall be allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations shall be measured at their fair values at that date. Any difference between the consideration received and the amounts recognized and derecognized in accordance with this paragraph shall be recognized in profit or loss in the period of the transfer.

3.5.3.2 Financial liabilities

The Group shall derecognize a financial liability (or a part of a financial liability) only when it is extinguished, i.e., when the obligation specified in the contract is discharged, cancelled, or has expired.

3.5.4 Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on 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 of the 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.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

For financial assets at amortized costs being individually assessed for ECLs, the Group applied lifetime ECL calculation. This involves determination of probability of default and loss-given default based on available data, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants. 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.

3.5.5 Offsetting financial instruments

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

3.5.6 Fair value of financial instruments

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 of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions,
- Reference to the current fair value of another instrument that is substantially the same, and
- A discounted cash flow analysis or other valuation models.

3.5.7 Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation technique used to value these financial instruments is discounted cash flow analysis.

3.6 Cash and cash equivalents

Cash, which includes cash on hand and deposits held at call with banks and carried in the consolidated statement of financial position at face value, are unrestricted and immediately available-for-use in the current operations.

Cash equivalents are short-term, highly liquid debt instruments that are readily convertible to known amounts of cash with original maturities of three months or less from date of placement and are subject to an insignificant risk of change in value.

3.7 Other receivables

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance and provision for impairment.

At the end of each reporting period, the carrying amounts of other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

3.8 Prepayments

Prepayments include advance payment for insurance, membership dues and subscription. These represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to income as these are consumed in operations or expire with the passage of time.

3.9 Financial assets at FVOCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

3.10 Property and equipment, net

Property and equipment are carried at cost less accumulated depreciation and any impairment in value. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Cost also includes the cost of replacing part of such property and equipment when the recognition criteria are met.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All subsequent expenditures are recognized as expense in the period in which those are incurred.

Depreciation is computed using the straight-line method over the estimated useful lives (EUL) of the related assets as follows:

	EUL in years
Building	15
Transportation equipment	5
Welding equipment	5
Office equipment	3
Office furniture and fixtures	3

The useful lives and depreciation method are reviewed at each reporting period to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Depreciation of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or

included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. When assets are retired or otherwise disposed of, the cost, related accumulated depreciation and accumulated impairment losses are removed from the accounts and the resulting gain or loss, which is determined by comparing the proceeds with the carrying amount, is recognized to the consolidated statement of comprehensive income. Fully depreciated assets are retained in the accounts until they are no longer in use.

3.11 Investment property

This account represents a parcel of land which is initially carried at cost. Cost includes the acquisition cost of the land plus incidental costs incurred in effecting the transfer of title of the property and other necessary expenses incurred in the acquisition.

Investment property is property held to earn rentals or for capital appreciation or both, rather than for:

(a) use in the production or supply of goods or services or for administrative purposes, or
(b) sale in the ordinary course of business.

Investment property is recognized as an asset when and only when: (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity, and (b) the fair value of the investment property can be measured reliably. Subsequently, investment property is measured at fair value, reflecting market conditions at the reporting date, in accordance with PAS 40 *Investment Property*.

After initial recognition, investment property is measured either by the fair value model or by the cost model and shall apply that policy to all of its investment property. Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

The fair value of investment property shall reflect market conditions at the reporting date. A gain or loss arising from the change in the fair value of investment property shall be recognized in profit or loss for the period in which it arises.

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The Group shall continue to measure the property at fair value until disposal (or until the property becomes owner-occupied property or the Group begins to develop the property for subsequent sale in the ordinary course of business) even if comparable market transactions become less frequent or market prices become less readily available.

3.12 Exploration and evaluation assets

Exploration and evaluation assets are measured at cost in accordance with the Group's accounting policy. The cost includes expenditures incurred in the acquisition of rights to explore, topographical, geological, geochemical, and geophysical studies, exploratory drilling, trenching, sampling, and activities related to assessing the technical feasibility and commercial viability of extracting a mineral resource.

The exploration and evaluation assets are classified as intangible assets in the financial statements, in accordance with PFRS 6, and the Group have been using the cost model to measure these assets. Under the cost model, exploration and evaluation are carried at cost less accumulated impairment losses.

The exploration and evaluation assets cease to be classified as tangible assets when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. These costs shall be assessed for impairment, and any impairment loss is recognized before reclassification.

Exploration and evaluation assets are reassessed for impairment on a regular basis. An impairment review is performed, either individually or at the cash generating unit (CGU) level, when there are indicators that the carrying amount of the assets may exceed their recoverable amounts. To the extent that this occurs, the excess is fully provided against, in the reporting period in which this is determined.

When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, impairment loss is measured, presented and disclosed in accordance with PAS 36, *Impairment of Assets.*

3.13 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready for use - are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or CGU is written down to its recoverable amount. The estimated recoverable amount is the higher between the assets' net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the estimated cost of disposal while the value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. An impairment loss is charged to expense immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognized revaluation surplus for the same asset.

Non-financial assets include prepayments, property and equipment, net, and investment property (Notes 10, 12 and13).

3.14 Refundable deposit

This account pertains to refundable deposit for welding equipment which is stated at amortized cost less any impairment in value.

3.15 Related party transactions and relationships

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

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

Advances from shareholders are initially recorded at transaction price and are subsequently measured at amortized cost using the effective interest method.

3.16 Operating segment

An operating segment is a component of an entity (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to the transactions with other components of the same entity), (b) whose operating results are reviewed regularly by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess the performance, and (c) for which discrete financial information is available.

3.17 Taxation

Income tax expense (benefit) represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable nor deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as at the reporting date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method.

The balance sheet liability method focuses on temporary differences, which are the differences between the amount attributed to an asset or liability for tax purposes (tax base) and the carrying amount of that asset or liability in the consolidated statement of financial position.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from excess of the minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle the current tax assets and liabilities on a net basis.

Current tax and deferred tax shall be recognized outside profit or loss if the tax relates to items that are recognized, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognized, in the same or a different period:

(a) in other comprehensive income, shall be recognized in other comprehensive income,

(b) directly in equity, shall be recognized directly in equity.

3.18 Accruals and other payables

Accruals and other payables are recognized in the period in which the money or services are received, or when a legally enforceable claim against the Group is established, or when the corresponding assets and expenses are recognized/incurred.

Accruals and other payables are recognized at their nominal or face value, reflecting the amount owed, in accordance with the measurement basis outlined in PFRS 9 and subsequently measured at amortized cost using the effective interest method. Accruals and other payables are derecognized when extinguished.

3.19 Provisions

Provisions are recognized when the Group have a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

3.20 Contingencies

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

3.21 Equity

Share capital is determined using the nominal value of shares that have been issued and fully paid.

Other comprehensive income (loss) pertains to remeasurement on retirement benefits payable.

Retained earnings include current and prior period results of operations as disclosed in the consolidated statement of changes in equity.

3.22 Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable in exchange for the service in the ordinary course of the Group's activities. The Group recognizes revenue when the amount of revenue is collectible, and it has met the requirements of the five-step approach of PFRS 15.

Revenue from a contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer

controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Parent Company is in the business of mining. This account comprises the revenue from sales of asphalt, gold and other precious metal produced, sold and payment received from the mining concessions and services rendered when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods or services.

This disclosure pertains to the Parent Company's future revenue streams, as it is currently in the pre-development and exploration stage of its mining project. No revenue has been recognized to date. Additionally, the Subsidiary, although dormant, has received unsolicited inquiries or proposals to lease its building in Baguio City, indicating potential rental income being considered by management.

(i) Interest income

Interest income on bank deposits is presented when earned, net of final tax.

Interest income on salary loan is recognized when earned.

(ii) Cost and expenses

Direct costs and expenses are recorded when incurred.

3.23 Employees costs

Short-term employee benefits

Short-term employee benefits are employees' benefits (other than termination benefits) that fall due wholly within 12 months after the end of the period in which the employees render the related service. It includes salaries, wages, social security contributions, paid annual leaves and paid sick leave profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits for current employees. Currently, the Group's employees are entitled to all the above-mentioned short-term benefits except profit sharing.

Retirement benefits payable

Retirement benefits payable are employee benefits (other than termination benefits) that are payable after the completion of employment.

The Group has an unfunded defined benefits retirement plan for qualified employees. For purposes of determining its costs and obligation, the Group considers the minimum requirement of Republic Act (RA) 7641 Philippine Retirement Pay Law. Under RA 7641, in the absence of a retirement plan or agreement providing for retirement benefits of employees in the private sector, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five years in the Group, may retire and shall be entitled to retirement pay equivalent to at least ½ month salary for every year of service, a fraction of at least six months being considered as one whole year. The term "½ month salary" includes the following:

a. 15 days salary based on the latest salary rate;
b. Cash equivalent of five days or service incentive leave (or vacation leave); and
c. One-twelfth of the 13th month pay (where the 13th month pay is the total basic salary for the last 12 months of the service divided by 12).

The Group 's net obligation in respect of the defined benefits retirement plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current year and prior year periods. The benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at financial reporting date on high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligation. The current calculation is performed by a qualified actuary using the projected unit credit method.

Retirement benefits expense comprises the following:

a. Service cost,
b. Net interest on the net defined benefits liability,
c. Remeasurements of net defined benefits liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefits liability is the change during the period in the net defined benefits liability that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefits liability. Net interest on the net defined benefits liability is recognized as an expense in the profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefits liability) are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

3.24 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term lease of office space. It has no other lease which will be classified as low-value asset. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.25 Foreign currency transactions

In preparing the Group's consolidated financial statements, transactions in foreign currencies other than its functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currency are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Foreign currency gain or loss resulting from the settlement of such transaction at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

3.26 Basic and diluted earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the income for the year attributable to the common shareholders of the Parent Company by the weighted average number of common shares outstanding during the year, after considering the retroactive effect of stock dividend declaration, if any. The Revised Corporation Code of the Philippines under Section 173 defines outstanding capital stock as the total shares of stock issued under binding subscription agreements to subscribers or stockholders, whether or not fully or partially paid except treasury shares.

For the purpose of calculating diluted earnings per share, income for the year attributable to ordinary equity holders of the Parent Company and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

3.27 Subsequent events

The Group identifies subsequent events as events that occur after the reporting date but before the date when the consolidated financial statements are authorized for issue. Any subsequent events that provide additional information about the Group's financial position at the reporting date are reflected in the consolidated financial statements.

Non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

NOTE 4 - CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The primary objective of the Group on capital management is to ensure their ability to continue as a going concern and to provide adequate returns and benefits to shareholders and other stakeholders by operating with guidance of high technical services and pursue the long-term outlook of management to deliver long term growth and profits.

The Group manages the following capital as shown in the consolidated statements of changes in equity:

		Note	**2025**	2024
Authorized capital	1,800,000,000	19		
Subscribed capital	652,500,000	19		
Paid-up capital		19	**636,563,546**	636,563,546

The Group monitors capital based on the carrying amount of equity as presented on the face of the consolidated statements of financial position. Measurement of the Group's financial leverage is summarized as follows:

	2025	2024
Total liabilities	**88,761,263**	81,743,852
Total equity	**991,827,363**	957,429,480
Debt-to-equity ratio	**0.0895 : 1**	0.0854 : 1

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

The Group defines capital as paid-up share capital and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock are excluded from capital for purposes of capital management.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and make adjustment in the light of changes in economic conditions and the risk characteristics of the underlying asset.

The Group is not subject to externally imposed capital requirements.

NOTE 5 - SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

These consolidated financial statements prepared in accordance with PFRSs Accounting Standards require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

5.1 Critical management judgments in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

a. Functional currency

The Philippine Peso is the currency of the primary economic environment in which the Group operates. It is the currency in which the Group measures its performance and reports the results of its operations.

b. Determining the lease term of contracts with renewal and termination

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group renewal options for leases under Note 22 are not included as part of the lease term because it needs the mutual agreement of both parties prior to the expiration of the agreements. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

The Group applies the short-term lease recognition exemption to its short-term leases of office premises. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Rent expense pertaining to these leased properties amounted to P860,565 and P852,438 for the years ended December 31, 2025 and 2024, respectively (Notes 22 and 23).

5.2 Critical accounting estimates and assumptions

a. EUL of property and equipment

The management estimates the useful lives of property and equipment based on the period in which the assets are expected to be available for use. The EUL of the property and equipment (Note 3.10) 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, the estimation of the useful lives of property and equipment is based on the Group's collective assessment of industry practice, internal evaluation and experience with similar assets. It is possible, however, that the 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 circumstances. A reduction in the EUL of property and equipment would increase recorded operating expenses and decrease non-current assets.

The carrying value of property and equipment amounted to P1,250 and P2,083 as at December 31, 2025 and 2024, respectively (Note 12).

Depreciation expense amounted to P833 and P417 for the years ended December 31, 2025 and 2024, respectively (Notes 12 and 23).

b. Impairment of property and equipment

The Group performs an impairment review when certain impairment indicators are present. Purchase accounting requires extensive use of accounting estimates and judgment to allocate the purchase price to the fair market values of the assets purchased and liabilities assumed.

Determining the fair value of property and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Group's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that their assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

The carrying value of property and equipment amounted to P1,250 and P2,083 as at December 31, 2025 and 2024, respectively (Note 12).

The cost of fully depreciated property and equipment still in use by the Group amounted to P4,876,335 as at December 31, 2025 and 2024, respectively (Note 12).

c. Fair value of investment property

The Group has adopted the fair value approach in determining the carrying value of its investment property. While the Group has opted to rely on independent appraisers to determine the fair value of its investment property, such fair value was determined based on recent prices of similar property, with adjustments to reflect any changes in economic

conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair value for any period would differ if the Group made different judgments and estimates or utilized different basis for determining fair value (Notes 3.5.6 and 3.5.7).

The fair value of investment property is P1,075,000,000 and P1,035,000,000 as at December 31, 2025 and 2024, respectively (Note 13).

The unrealized fair value gain from investment property amounted to P40,000,000 and P103,000,000 for the years ended December 31, 2025 and 2024, respectively (Note 13).

d. Recoverability of exploration and evaluation of assets

Exploration and evaluation costs are recognized as assets in accordance with PFRS 6, *Exploration for and Evaluation of Mineral Resources*. Capitalization of these costs is based, to a certain extent, on management's judgment of the degree to which the expenditure may be associated with finding a specific mining reserve.

The application of the Group's accounting policy for exploration and evaluation assets requires judgment and estimates in determining whether it is likely that the future economic benefits are certain, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after the exploration and evaluation assets are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of comprehensive income in the period when the new information becomes available.

The Group reviews the carrying values of its exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts. An impairment loss is recognized when the carrying values of these assets are not recoverable and exceed their fair value.

The factors that the Group's considers important which could trigger an impairment review of exploration and evaluation assets include the following:

- the period for which the Group 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 mining reserves in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mining reserves in the specific area have not led to the discovery of commercially viable mining reserves and the Group decided to discontinue such activities in the specific area;
- When a concession agreement where the Group has participating interest in is permanently abandoned; and
- sufficient data exist to indicate that, although 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.

The Group determines impairment of projects based on the assessment of the technical group of its Indonesian partners or based on management's decision not to pursue any further commercial development of its exploration projects.

The impairment losses on exploration and evaluation assets amounted to nil and P16,824,116 for the years ended December 31, 2025 and 2024, respectively (Note 23). The carrying amount of exploration and evaluation assets amounted to nil as at December 31, 2025 and 2024.

e. Impairment of non-financial assets

The Group's policy on estimating the impairment of non-financial assets is discussed in Note 3.13. Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Except for impairment on exploration and evaluations assets, the Management assessed that the non-financial assets have no indication of impairment.

f. Estimated retirement benefits payable

The determination of the Group's obligation and cost of pension is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions are, and include, among others, discount rate and salary increase rate. In accordance with PAS 19 (Revised), actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

PAS 19 (Revised) also requires a retrospective application which means that minimum disclosure requirements shall be made in the comparative period as well as the current period.

The retirement benefits expense, payable and detailed discussion of sensitivity analysis are discussed in Note 17.

Retirement benefits expense amounted to P297,377 and P282,204 for the years ended December 31, 2025 and 2024, respectively (Notes 17 and 23). The Group's retirement benefits payable amounted to P4,320,665 and P4,235,626 as at December 31, 2025 and 2024, respectively (Note 17).

g. Recognition of deferred tax assets

The carrying amounts of deferred income tax assets at each financial reporting date are reviewed and are reduced to the extent that there is no longer sufficient future taxable income available to allow all or part of the deferred income tax assets to be utilized. The Group's assessment of the recognition of deferred tax assets on deductible temporary differences, and the carryforward benefits of NOLCO is based on the forecasted taxable income for the future years. This forecast is based on the Group's past results and future expectations on revenue and expenses.

The carrying values of deferred tax assets related to retirement benefits payable, which the management has assessed to be fully utilized within the next few years amounted to P1,080,166 and 1,058,906 as at December 31, 2025 and 2024, respectively (Note 15).

The Group also has deductible temporary differences, carryforward benefits of unused NOLCO and excess MCIT for which no deferred tax asset was recognized (Note 15).

NOTE 6 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks: credit risk, liquidity risk and market risk. The Group's overall risk management program seek to minimize potential adverse effects on its financial performance and to make an optimal contribution to its revenues by managing these risks. The Group's risk management, vested through the BOD, focuses on actively securing their short to medium-term cash flows by minimizing the exposure to financial risks. Long-term financial investments are managed to generate lasting returns.

The Group's response to the risks and challenges they face are as follows:

- To explore less risky exploration and exploitation of minerals,
- Shorten the exploration period and look for the most economical ways to explore and conduct the latest geological and geophysical techniques to minimize the risks of exploration,
- To engage experts to utilize proven hedge and financial initiatives to mitigate and minimize inherent risks of the volatility of commodities, and
- To place importance on community welfare and community relationship.

The policies for managing specific risks are summarized below:

Financial risk factors

The Group's financial assets and liabilities, comprising mainly of cash and cash equivalents, other receivable, deposits, financial assets at FVOCI, accruals and other payables (except payable to government agencies) and advances from shareholders are exposed to a variety of financial risks. The management ensures that it has sound policies and strategies in place to minimize the potential adverse effects of these risks on the Group's financial performance.

6.1 Credit risk management

Credit risk refers to the risk that a counterparty will default on its obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated financial statements or in the detailed analysis provided in the notes to consolidated financial statements, as summarized below:

2025	Note	Carrying amount	Neither past due nor impaired	Impaired
Cash and cash equivalents*	8	**3,016,095**	**3,016,095**	**-**
Other receivables	9	**36**	**36**	**-**
Financial assets at FVOCI	11	**1,472,000**	**1,472,000**	**-**

2024	Note	Carrying amount	Neither past due nor impaired	Impaired
Cash and cash equivalents*	8	2,978,751	2,978,751	-
Other receivables	9	29,836	29,836	-
Financial assets at FVOCI	11	80,000	800,000	720,000

**excluding petty cash fund*

None of the above financial assets are used for collateral or other credit enhancements.

Accordingly, the Group has assessed the quality of the following financial assets:

1. The credit risk for cash and cash equivalents is assessed as low risk since cash are deposited in reputable banks which have a low probability of insolvency.

2. Other receivables pertain to receivable from employees and accrued interest from time deposit. The credit risk is assessed as low risk since it is collected through salary deduction and deposited in a reputable bank which has a low probability of insolvency.

3. The maximum exposure to credit risk of the Group from the financial assets at FVOCI is equivalent to the fair value of the shares in the Philippine Stock Exchange (PSE) as at the reporting date.

4. The Group's refundable deposit is presented as non-current asset as it is not expected to be refunded within the next twelve 12 months. The Group has provided a full impairment allowance on the refundable deposit as the management assessed the Group will not be able to recover the deposit.

6.2 Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

As at December 31, 2025 and 2024, the Group's financial liabilities have contractual maturities as follows:

		2025		2024	
	Note	**3 to 12 months**	**More than 12 months**	3 to 12 months	More than 12 months
Accruals and other payables**	16	**3,393,001**	**-**	2,876,984	-
Advances from shareholders	18	**81,004,840**	**-**	74,594,840	-
		84,397,841	**-**	77,471,824	-

***excluding withholding taxes, documentary stamp tax, SSS, PHIC and HDMF payables*

As at December 31, 2025, the Parent Company's current liabilities exceeded its current assets by P400,548 resulting in a working capital deficiency. In contrast, as at December 31, 2024, current assets exceeded current liabilities by P118,957, computed as follows:

	2025	2024
Total current assets	**3,035,210**	3,032,343
Total current liabilities	**3,435,758**	2,913,386
	(400,548)	118,957

The Group manages liquidity risk by maintaining adequate highly liquid assets in the form of cash and cash equivalents. Management has no knowledge of any other trends, demands, commitments, events, or uncertainties that would have a material impact on the Group's liquidity. The Group views its current assets as a source of liquidity. A call on subscription receivable is an alternative to raise cash. The major shareholders have committed to pay their subscription payable to the Parent Company as the need arises.

6.3 Market risk management

Market risk is the risk of loss to future earnings, to fair value or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes.

6.3.1 Interest rate and foreign currency risk

The Group's exposure to the risk of changes in interest rates is minimal since the cash and cash equivalents have fixed interest rates not affected by interest rates in the market.

The Group is exposed to foreign currency risk primarily with respect to the monetary assets denominated in US Dollar. The Group's financial position and financial performance are affected by the movements in the Philippine Peso to US Dollar exchange rates. Foreign currency risk arises when recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group's foreign currency denominated monetary asset is shown in Note 21.

As at December 31, 2025, if the Philippine Peso has weakened by 0.08% against the US Dollar with all other variables held constant, income for the year would have been higher by P3,461, mainly as a result of foreign exchange gains/losses on translation of US Dollar denominated net asset shown in Note 21. The 0.129% volatility is based on 30-day historical foreign currency fluctuations experienced by the Group.

6.3.2 Other price risk sensitivity

The Group's market price risk arises from financial assets at FVOCI which is carried at fair value. It manages its risk by monitoring the changes in the market price of the investments.

For the equity securities, there was no available market value in the PSE in prior years due to the continuous suspension of Philcomsat Holdings Corporation (PHC). However, in 2025, the suspension was lifted and the shares have resumed trading, making market values available as at December 31, 2025.

6.4 Fair value estimation of financial assets and liabilities

Due to the short-term nature of cash and cash equivalents, other receivables and accrual and other payables (except statutory payables) approximate their fair value as at reporting date.

Advances from shareholders. The carrying amount of the advances from shareholders amounted to P81,004,840 and P74,594,840 as at December 31, 2025 and 2024, respectively (Note 18), while its fair value amounted to P61,140,782 and P55,449,389 as at December 31, 2025 and 2024, respectively. The fair value was computed using the present value method. A significant unobservable input used under this method is the discount rate used. The rate used for discounting is at 5.79% and 6.10% as at December 31, 2025 and 2024 based on PHP BVAL rates with tenor of 5 years. These are categorized under level 3.

These advances from shareholders are non-interest-bearing and have no fixed maturity. These serve as the Parent Company's principal source of working capital and were measured at fair value upon initial recognition. The resulting difference between face value and fair value has been recognized within equity as a shareholder contribution. While management is exploring the potential for conversion to equity, no board resolution or SEC filing has been completed as at December 31, 2025 and 2024.

6.5 Fair value hierarchy of financial assets that are measured at fair value on a recurring basis

The fair value of the financial assets at FVOCI is categorized as Level 1, as the equity investment in PHC is quoted in an active market in the PSE. Accordingly, the carrying amount of the financial assets at FVOCI represents their fair value. As at December 31, 2025, the quoted price of the equity investment is P1.84 per share.

NOTE 7 - OPERATING SEGMENT

The Group considers this mining business as its sole reportable segment. The Group's primary operating segment encompasses its mining activities in Indonesia. While the Group is domiciled and primarily located in the Philippines, its operational presence is solely in Indonesia at the exploratory stage. Geographical segment information is not presented as all mining operations are confined to Indonesia.

The business segment is managed based on the nature of services provided, with a particular emphasis on exploration and evaluation activities. Segment assets comprise various operational assets, notably including exploration and evaluation assets, alongside other significant assets such as investment properties. As at December 31, 2025 and 2024, the carrying amount of exploration and evaluation assets was nil.

NOTE 8 - CASH AND CASH EQUIVALENTS

This account as at December 31 consists of:

	2025	2024
Cash equivalents	**2,508,414**	2,473,572
Cash in banks	**507,681**	505,179
Petty cash fund	**4,000**	4,000
	3,020,095	2,982,751

Cash in banks generally earn interest at prevailing bank deposit rates. Cash equivalents are placements good for 35 days with one local bank depending on the immediate cash requirements and earn interest at the prevailing short-term deposit rate of 0.05% per annum.

Total interest income from bank deposits for the years ended December 31, 2025 and 2024 amounted to P1,369 and P1,454, respectively, as presented in the consolidated statements of comprehensive income.

Unrealized foreign exchange gain, net recognized in the consolidated statements of comprehensive income due to revaluation of the cash in bank and cash equivalents dollar accounts amounted P35,970 and P111,276 for the years ended December 31, 2025 and 2024, respectively (Note 21).

NOTE 9 - OTHER RECEIVABLES

This account as at December 31 consists of:

	2025	2024
Accrued interest on time deposit	**36**	98
Salary loans receivable	**-**	26,462
Advance receivable	**-**	3,276
	36	29,836

Salary loans earn an interest rate of 16% per annum payable on a semi-monthly installment. This pertains to the proportion of salary loans of an employee of Filipinas Golf & Country Club, Inc. as a co-maker of the promissory note.

Total interest income from salary loan for the year ended December 31, 2025 and 2024 amounted to nil and P5,840, respectively.

NOTE 10 - PREPAYMENTS

This account pertains to advance payments on the Group's cars insurance coverage, membership fees and subscription which are unexpired amounting to P15,079 and P19,756 as at December 31, 2025 and 2024, respectively.

NOTE 11 - FINANCIAL ASSETS AT FVOCI

Financial assets at FVOCI consists of the quoted equity investments in PHC amounting to P1,472,000 and P80,000 as at December 31, 2025 and 2024, respectively.

On December 3, 2008 the Corporation Finance Department (currently known as Corporate Governance and Finance Department or CGFD) of the SEC issued an order of suspension of PHC's Registration of Securities for violation of SRC Rules 17.1 (1) (A) (i) & (ii) due to its continuing failure to file its 2006 and 2007 annual reports as well as its 1st, 2nd and 3rd quarterly reports for 2007. As at December 31, 2024, the suspension has not been lifted. PHC is a subject of intra-corporate controversies. Due to the unavailability of a market price, a valuation technique could be used to establish its fair value. Valuation techniques include using arm's length market transactions between knowledgeable parties, if available; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. However, due to intra-corporate controversies in which PHC has been involved for several years now, management has decided to take a conservative stand and provide a 90% allowance based on cost for the impairment of its investment. Management has not recognized any fair value gains or recoverability and will reassess the investment classification in future periods should market conditions change.

Due to suspension of PHC in PSE, there is no available market value for the investments, thus, there is no net accumulated unrealized gain on financial assets at FVOCI as at December 31, 2024.

In September 2025, the SEC issued an order lifting the suspension on the registration of securities of PHC, after the PHC complied with regulatory requirements. Consequently, the PSE lifted the trading suspension of PHC shares, allowing the resumption of trading of its listed shares in the market after a prolonged period of suspension.

The quoted price of equity investments in PHC as at December 31, 2025 amounted to P1.84 per share.

For the year ended December 31, 2025, the Parent Company recognized a reversal of impairment loss on investment amounting to P720,000, as presented in the consolidated statements of comprehensive income. In addition, the Parent Company recognized an unrealized gain on financial assets at FVOCI amounting to P672,000, arising from the change in fair value of its equity investments, which is presented in other comprehensive income.

NOTE 12 - PROPERTY AND EQUIPMENT, NET

Details of property and equipment as at December 31 are as follows:

	Building	Transportation equipment	Welding Equipment	Office equipment	Office furniture and fixture	Total
Cost:						
January 1, 2024	2,193,697	1,150,000	1,397,734	19,529	115,375	4,876,335
Additions	-	-	-	2,500	-	2,500
December 31, 2024	2,193,697	1,150,000	1,397,734	22,029	115,375	4,878,835
Additions	-	-	-	-	-	-
December 31, 2025	**2,193,697**	**1,150,000**	**1,397,734**	**22,029**	**115,375**	**4,878,835**
Accumulated depreciation:						
January 1, 2024	2,193,697	1,150,000	1,397,734	19,529	115,375	4,876,335
Depreciation - Note 23	-	-	-	417	-	417
December 31, 2024	2,193,697	1,150,000	1,397,734	19,946	115,375	4,876,752
Depreciation - Note 23	-	-	-	833	-	833
December 31, 2025	**2,193,697**	**1,150,000**	**1,397,734**	**20,779**	**115,375**	**4,877,585**
Carrying value:						
As at December 31, 2024	-	-	-	2,083	-	2,083
As at December 31, 2025	**-**	**-**	**-**	**1,250**	**-**	**1,250**

The above property and equipment have not been used as collateral for a loan.

There is no contractual commitment for the acquisition of property and equipment as at December 31, 2025 and 2024.

The cost of fully depreciated property and equipment still in use by the Group amounted to P4,876,335 as at December 31, 2025 and 2024.

NOTE 13 - INVESTMENT PROPERTY

This represents the transfer value or consideration of the parcel of land which was used as full payment of the subscription of the former President, Oliverio G. Laperal, Sr., on the increase in authorized capital stock of the Parent Company amounting to P400 million in 2007. The parcel of land is located at Northwest corner of Epifanio Delos Santos Avenue and Nueva Ecija extension, Barangay Magsaysay, Quezon City with a land area of 5,000 sqm. This investment property is covered by TCT No. N-307207 issued by the Land Registration Authority to the Parent Company on September 3, 2007. An annotation on the title states that "the acquisition of the property described in this title/certificate is by virtue of tax-free exchange pursuant to Section 40 C (2) of the National Internal Revenue Code (NIRC) of 1997 per Deed of Assignment of Real Property dated February 2, 2007".

The Group's investment property is measured using the fair value model.

The fair value of the Group's investment property as at December 31 are as follows:

	2025	2024
Fair value, beginning	**1,035,000,000**	932,000,000
Increase in unrealized fair value	**40,000,000**	103,000,000
Fair value, ending	**1,075,000,000**	1,035,000,000

The fair values of investment properties were determined by independent, professionally qualified appraisers. The fair value represents the price that would be received to sell an investment property in an orderly transaction between market participants at the measurement date.

The value of the property is based on the appraisal made by Cuervo Appraisers, Inc., an independent appraiser accredited with SEC, PSE and Bangko Sentral ng Pilipinas (BSP), and determined using the Market Approach. This is a comparative approach to the value that considers the sales of similar, or substitute properties and related market data which establishes a value estimate by processes involving comparison. Based on the analysis and considering the location, size, shape and physical characteristics, highest and best use of the subject property, the appraiser's report indicated that the fair market value of the land is P1,075,000,000 and P1,035,000,000 as at December 31, 2025 and 2024, respectively.

The valuation is subject to certain limiting conditions, including the presence of informal settlers occupying portions of the property, as well as existing liens and encumbrances, if any. These conditions may affect the property's marketability, realizable value, and timing of disposition. Accordingly, such factors were considered by the independent appraiser in determining the fair value of the investment property.

The Group assessed that the investment property is considered a capital asset under Sec. 39 (A) (1) of the NIRC subject to capital gains tax upon sale and the Group does not intend to sell the property. Thus, the gain from the revaluation is considered a permanent difference in the income tax computation and no deferred tax liability is recognized (Note 15).

The above investment property has not been used as collateral for a loan.

The fair value of the investment property is categorized as Level 3 as there is no active market for identical or similar properties. The inputs include price per square meter ranging from P364,734 to P440,360. There have been no changes in the valuation techniques used.

NOTE 14 - REFUNDABLE DEPOSIT

This account as at December 31 consists of:

	2025	2024
Refundable gas cylinder	**45,000**	-
Less: Allowance for impairment loss	**45,000**	-
	-	-

NOTE 15 - INCOME TAXES

The components of income tax benefit reported in the consolidated statements of comprehensive income are as follows:

	2025	2024
Current	-	117
Deferred	**(74,344)**	(70,551)
	(74,344)	(70,434)

The reconciliation of income tax benefit on accounting income computed at the statutory income tax rate to the income tax benefit - deferred as reflected in the consolidated statements of comprehensive income for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Income tax benefit on profit from operations at the statutory income tax rate of 25%	**8,372,884**	19,790,685
Adjustments for:		
Unrealized fair value gain from investment property	**(10,000,000)**	(25,750,000)
Reversal of impairment loss on investment	**(180,000)**	-
Interest income subjected to final tax	**(342)**	(364)
Non-deductible penalties and surcharges	**14**	-
on exploration and evaluation asset	**-**	4,206,029
Unrecognized DTA on unrealized gain on foreign exchange	**(8,993)**	(27,819)
Unrecognized DTA on MCIT	**-**	117
Unrecognized DTA on NOLCO	**1,742,093**	1,710,918
	(74,344)	(70,434)

The income tax payable of the Group as at December 31, 2025 and 2024 amounted to nil and P117, respectively.

The Group's deferred tax asset as at December 31, 2025 and 2024 consist of:

		2025		2024	
	Note	**Tax base**	**DTA**	Tax base	DTA
Temporary differences:					
Retirement benefits obligation	17	**4,320,665**	**1,080,166**	4,235,626	1,058,906

Realization of future tax benefit related to deferred tax asset is dependent on the Group's ability to generate future taxable income during the periods in which these are expected to be recovered. The Group has considered these factors in reaching a conclusion as to the amount of deferred tax asset recognized as at December 31, 2025 and 2024. Further, the Group regularly reviews the recoverability of the deferred tax asset recognized. The deferred tax asset related to impairment loss on exploration and evaluation asset, unrealized loss on foreign exchange, MCIT and NOLCO are not recognized since management believes that there is absence of virtual certainty that the deferred tax asset can be realized against future tax liabilities.

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was enacted into law as RA No. 11534 by virtue of the approval of the President of the Philippines with nine vetoed provisions. Below are the relevant salient features of the Act:

a. RCIT rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5,000,000 and with total assets not exceeding P100,000,000. All other domestic corporations and resident foreign corporations will be subject to 25% income tax rate. Said reductions are effective July 1, 2020,
b. MCIT rate is reduced from 2% to 1% effective July 1, 2020 to June 30, 2023. Starting July 1, 2023, the Group uses MCIT rate of 2%.
c. Imposition of improperly accumulated earnings tax (IAET) is repealed.

The measure is set to take effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation which is on April 11, 2021.
On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) no. 69-2023, reverting rate of 2% of gross income effective July 1, 2023 pursuant to CREATE Act.

The movements in DTA for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Balance at beginning of the year	**1,058,906**	1,049,344
DTA on retirement benefit obligation credited (charged to):		
Profit for the year	**74,344**	70,551
Other comprehensive income for the year (Note 17)	**(53,084)**	(60,988)
Balance at the end of the year	**1,080,166**	1,058,906

The balances of NOLCO with their corresponding years of expiration are as follows:

Year incurred	Amount	NOLCO Expired	NOLCO Applied	NOLCO Unapplied	End of availment term
2025	**6,968,372**	-	-	**6,968,372**	**2028**
2024	6,843,672	-	-	6,843,672	2027
2023	6,790,486	-	-	6,790,486	2026
2022	6,007,469	6,007,469	-	-	2025
2021	6,409,441	-	-	6,409,441	2026
2020	6,952,630	6,952,630	-	-	2025
	39,972,070	12,960,099	-	27,011,971	

The balance of NOLCO as at December 31, 2025 may be used by the Group as additional deductions against their respective future taxable income.

Pursuant to the Revenue Regulations (RR) No. 25-2020 entitled *"Rules and Regulations Implementing Section 4 (bbbb) of the Republic Act (RA) No. 11494, otherwise known as the "Bayanihan to Recover as One Act" Relative to Net Operating Loss Carry-Over (NOLCO) Under Section 34 (D) (3) of the National Internal Revenue Code (NIRC), As Amended"*, the net operating loss for the taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from gross income for the next five consecutive years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction ever after the expiration of RA No. 11494 provided the same are claimed within the next five years consecutive taxable years immediately following the year of such loss. Due to system limitations of the Electronic Filing and Payment System (eFPS) of the Bureau of Internal Revenue (BIR), which restricts the recognition of NOLCO to a three-year period, the Group presented the

combined NOLCO from taxable years 2021 and 2022, amounting to P6,409,441, under taxable year 2022 in the income tax return, as advised by the BIR and for filing purposes only.

NOTE 16 - ACCRUALS AND OTHER PAYABLES

This account as at December 31 consists of:

	2025	2024
Accruals	**3,392,721**	2,876,984
Withholding taxes payable	**22,559**	20,579
SSS, Philhealth, HDMF contributions and loan payables	**15,932**	10,531
Documentary stamp tax payable	**4,266**	5,175
Advances to employee	**280**	-
	3,435,758	2,913,269

The accruals as at December 31 are composed of the following:

	2025	2024
Taxes and licenses	**2,970,000**	2,475,000
Professional fees	**417,800**	396,369
Communication	**4,921**	4,995
Dues & subscription	**-**	620
	3,392,721	2,876,984

NOTE 17 - RETIREMENT BENEFITS PAYABLE

The Group does not have an established retirement plan and only conforms to the minimum regulatory benefit under the RA 7641 Retirement Pay Law which is of the defined benefit type and provides a retirement benefit equal to 22.5 days pay for every year of credited service. The regulatory benefit is paid in a lump sum upon retirement.

The discount rate methodology was used to estimate the present value of the Group's defined benefits obligation. The discount rate was determined in accordance with the FSRSC approved Q&A 2008-01(Revised) document, which mandates that discount rates reflect (a) benefit cash flows and (b) use of zero coupon rates, even though theoretically derived.

The valuation results are based on the employee data as of the valuation date as provided by the Group. The discount rate assumption is based on the Bankers Association of the Philippines (BAP) PHP Bloomberg BVAL Reference Rates (BVAL) benchmark reference curve for the government securities market (previously the PDEx (PDST-R2) market yields on benchmark government bonds as of the valuation date and considering the average years of remaining working life of the employees as the estimated term of the benefit obligation.

The following information are based on the latest actuarial valuation report with December 31, 2025 and 2024 as the valuation date by an independent actuarial firm.

The movements in the present value of the retirement benefits payable recognized in the books are as follows:

	2025	2024
Balance at the beginning of the year	**4,235,626**	4,197,372
Interest cost	**260,915**	246,386
Current service cost	**36,462**	35,818
Remeasurements of retirement benefits payable	**(212,338)**	(243,950)
	4,320,665	4,235,626

The amounts of retirement benefits expense for the years ended December 31, 2025 and 2024 recognized in the consolidated statements of comprehensive income are as follows:

	Notes	2025	2024
Interest cost		**260,915**	246,386
Current service cost		**36,462**	35,818
	20, 23	**297,377**	282,204

The amounts of remeasurements of retirement benefits payable presented in other comprehensive income in the consolidated statements of comprehensive income are computed as follows:

	Note	2025	2024
Actuarial gain (loss) on:			
experience		**254,201**	241,449
changes in demographic assumptions		**(34,493)**	-
changes in financial assumptions		**(7,370)**	2,501
Total		**212,338**	243,950
Less: Deferred tax liability	15	**(53,084)**	(60,988)
		159,254	182,962

The movement of remeasurement on retirement benefits payable recognized in the other comprehensive income is as follows:

	2025	2024
Beginning balance	**333,171**	150,209
Remeasurement of retirement benefits payable, net of tax	**159,254**	182,962
	492,425	333,171

In determining the amount on retirement benefits payable, the following actuarial assumptions were used:

	2025	2024
Economic assumptions:		
Discount rate	**5.59%**	6.16%
Salary increase rate	**4.00%**	4.00%
Employee data:		
No. of employees	**6.0**	6.0
Average age in years	**64.7**	63.7
Average remaining working life	**1.0**	1.0
Average years of past service	**28.9**	28.4
Annual covered payroll	**2,186,532**	2,186,532

Below is the quantitative information about the sensitivity of the retirement liability to a reasonably possible change in actuarial assumptions:

	2025	2024
Increase in discount rate	**0.30%**	0.20%
Decrease in present value of retirement benefits liability	**13,815**	8,706
Decrease in discount rate	**0.30%**	0.20%
Increase in present value of retirement benefits liability	**(12,172)**	(8,475)
Decrease in salary increase rate assumption	**0.30%**	0.20%
Decrease in present value of retirement benefits liability	**(13,019)**	(8,732)
Increase in salary increase rate assumption	**0.30%**	0.20%
Increase in present value of retirement benefits liability	**13,895**	8,804

The Group does not have any plan assets as at December 31, 2025 and 2024 and does not currently employ any asset-liability matching.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31:

	2025	2024
More than 1 year to 5 years	**4,368,490**	4,354,603

As at December 31, 2025 and 2024, the average duration of the defined benefits obligation is 0.2 year.

NOTE 18 - RELATED PARTY TRANSACTIONS

The Group's relationship with related parties is described below:

	Relationship
Estate of Oliverio G. Laperal, Sr.	Major shareholder
LTC Real Estate Corporation	Shareholder
Filipinas Golf & Country Club, Inc.	With common directors
Imperial Development Corporation	With common directors

The significant transactions of the Group in the normal course of business with related parties are described below.

A. OTHER RELATED PARTY – SHAREHOLDER

The Group obtains non-interest bearing advances from its major shareholders. These advances are intended for the Group's operations.

	Amount of transactions	Outstanding balance	Terms and conditions
Year 2025			
Advances from shareholders			
LTC Real Estate Corporation	**6,410,000**	**68,093,625**	a. Payable in cash b. Have no specific repayment dates, c. The subsidiary may pay when it is able, d. Non-interest bearing, and e. Can be converted to equity upon compliance with regulatory requirements
Estate of Oliverio G. Laperal, Sr.	-	**12,911,215**	a. Payable in cash b. Have no specific repayment dates, c. The subsidiary may pay when it is able, d. Non-interest bearing, and e. Can be converted to equity upon compliance with regulatory requirements
	6,410,000	**81,004,840**	

	Amount of transactions	Outstanding balance	Terms and conditions
Year 2024			
Advances from shareholders			
LTC Real Estate Corporation	6,340,000	61,683,625	a. Payable in cash b. Have no specific repayment dates, c. The subsidiary may pay when it is able, d. Non-interest bearing, and e. Can be converted to equity upon compliance with regulatory requirements
Estate of Oliverio G. Laperal, Sr.	-	12,911,215	a. Payable in cash b. Have no specific repayment dates, c. The subsidiary may pay when it is able, d. Non-interest bearing, and e. Can be converted to equity upon compliance with regulatory requirements
	6,340,000	74,594,840	

The advances from shareholders are non-interest-bearing and have no fixed maturity. These serve as the Parent Company's principal source of working capital and were measured at fair value upon initial recognition. The resulting difference between face value and fair value has been recognized within equity as a shareholder contribution. While management is exploring the potential for conversion to equity, no board resolution or SEC filing has been completed as at December 31, 2025 and 2024.

In March 2016, LTC Real Estate Corporation and the Parent Company entered into a memorandum of agreement for the prospective subscription on the shares of stocks of the Parent Company at the prevailing par value in the amount of P10,000,000 on or before December 31, 2016. The said amount shall be considered as a deposit and shall be subject to disposition, transfer and recovery by the investor.

As at December 31, 2025 and 2024, the Parent Company has not met all the required conditions to account for the deposit as deposit for future stock subscription. Thus, the deposit is recognized as advances from shareholders under non-current liabilities in the consolidated statements of financial position.

B. OTHER RELATED PARTY – COMMON DIRECTOR

	Amount of transactions	Outstanding balance	Terms	Conditions
Year 2025				
Rent				
Imperial Development Corporation	**635,712**	-	(1) Payable on or before 5th day of each corresponding month. (2) Lease for a period of one year from January 1, 2024 to December 31, 2024. (3) Renewable upon mutual agreement before expiration of the lease term.	(1) In case of default in payment, the amount of rental due shall bear interest and penalty at the rate of 6% and 3% per month, respectively.
Filipinas Golf & Country Club, Inc.	**224,853**	-	(1) Payable every 1st day of the month. (2) Sub-lease for a period of one year from April 1, 2023 until March 31, 2024 and from April 1, 2024 to March 31, 2025. (3) Renewable upon mutual agreement before expiration of the lease term.	(1) In case of failure to pay, lease shall be considered terminated and the Company shall vacate the premises.
Total (Note 22)	**860,565**	-		

	Amount of transactions	Outstanding balance	Terms	Conditions
Year 2024				
Rent				
Imperial Development Corporation	635,712	-	(1) Payable on or before 5th day of each corresponding month. (2) Lease for a period of one year from January 1, 2023 to December 31, 2023. (3) Renewable upon mutual agreement before expiration of the lease term.	(1) In case of default in payment, the amount of rental due shall bear interest and penalty at the rate of 6% and 3% per month, respectively.
Filipinas Golf & Country Club, Inc.	216,726	-	(1) Payable every 1st day of the month. (2) Sub-lease for a period of one year from April 1, 2022 until March 31, 2023 and from April 1, 2023 to March 31, 2024. (3) Renewable upon mutual agreement before expiration of the lease term.	(1) In case of failure to pay, lease shall be considered terminated and the Company shall vacate the premises.
Total (Note 22)	852,438	-		

C. KEY MANAGEMENT PERSONNEL

	Amount of transactions	Outstanding balance
Year 2025		
Short-term employee benefits	**953,135**	-
Post-employment benefits	**1,774,557**	-
Year 2024		
Short-term employee benefits	1,741,115	-
Post-employment benefits	2,655,036	-

There were no termination, other long-term benefits and share-based payments granted to the key management personnel for the years ended December 31, 2025 and 2024. The gross compensation of President/Chief Executive Officer, Vice-President/Treasurer (Chief Financial Officer) and Controller amounted to P814,854 and P794,854 for the years ended December 31, 2025 and 2024, respectively. The members of the BOD received only per diem per attendance in the regular and special meetings of the BOD and Annual/Special Stockholders Meeting. The total amount of per diem paid in 2025 and 2024 amounted to P235,000 and P225,000, respectively (Note 23).

Mr. Desiderio L. Laperal and Mr. Oliverio L. Laperal Jr.,the current President and Vice-President of the Parent Company, waived their rights to avail any retirement benefits being granted by the Parent Company as their way of financially helping the Group.

NOTE 19 - SHARE CAPITAL

The Parent Company share capital as at December 31 consists of:

	2025	2024
Common shares - P1 par value per share		
Authorized shares, 1,800,000,000	**1,800,000,000**	1,800,000,000
Subscribed share capital	**652,500,000**	652,500,000
Less: Subscription receivable	**15,936,454**	15,936,454
Add: Full payment of subscription and issuance of share capital	**750**	-
Paid-up capital	**636,564,296**	636,563,546

The change of par value from P5.00 to P1.00 and the declassification of shares from common Class "A" and Class "B" shares to common stock voting shares were approved by SEC on February 10, 2017 and implemented by PSE on February 22, 2017.

Subscription receivable collected for the year ended December 31, 2018 amounted to P150,000. There was no collection of subscription receivable as at December 31, 2025 and 2024.

Both common class "A" and "B" shares have P5.00 par value with the same rights and privileges, except that Common Class "A" shares shall be issued and/or sold only to citizens of the Philippines or to Corporation, at 60% of the capital stock for/of which is owned by citizens of the Philippines, while Common Class "B" shares shall be issued and/or sold to any person or corporation irrespective of citizenship; provided that a stockholder who is Filipino citizen holding Common Class "B" shares shall be entitled at any time to convert his Common Class "B" shares to Common Class "A" shares.

In 2018, the late major shareholder of the Parent Company, Mr. Oliverio G. Laperal Sr. passed away due to multi-organ failure. His shares of stocks in the Parent Company are amongst those reported and included in the inventory of the estate settlement proceedings before the Regional Trial Court, Branch 148, Makati City, Metro Manila in the proceedings entitled "Petition for the Probate of the Will of Oliverio G. Laperal, Sr." where Mr. Desiderio Christopher L. Laperal is the petitioner. The petition was docketed as R-MKT-18-04136-SP.

The late majority shareholder holds 83.76% of the total issued and outstanding shares of the Parent Company.

As at December 31, 2021, Mr. Desiderio L. Laperal was the appointed executor of the estate of Mr. Oliverio G. Laperal Sr. The judicial settlement of the estate is still in process.

Probate Proceedings Re. Estate of Oliverio G. Laperal, Sr

On December 2, 2021, Mr. Desiderio L. Laperal, the designated Administrator/Executor of the Estate of Mr. Oliverio G. Laperal, Sr. filed with the Regional Trial Court, Capital Judicial Region, Branch 148, Makati City, Ad Cautelam Preliminary Inventory, of the real and personal estate of the deceased as of October 31, 2021.

That the Executor/Administrator, Mr. Desiderio L. Laperal, filed the Executor's Accounting dated October 25, 2022 informing the Court at all the banks wherein decedent Oliverio G. Laperal, Sr. had accounts submitted the summary of Bank Balances as of March 2022.

That the Executor/Administrator, Mr. Desiderio L. Laperal has continued to coordinate with the banks where decedent Oliverio G. Laperal Sr. has accounts and prepared an updated Summary of Bank balances as of January 2024.

That the Executor/Administrator, Mr. Desiderio L. Laperal has filed an Urgent Omnibus Motion to set case for hearing on the (1) Expenses of administration, (2) For authority to withdraw from bank accounts for payments of Expenses of administration and (3) For authority to open a bank account for the Estate of Oliverio G. Laperal, Sr. and he is ordered to appear the probate court on May 8, 2023.

That the Executor/Administrator, Desiderio L. Laperal was able to make partial withdrawal from the bank deposits under the name of Oliverio G. Laperal, Sr.

That the Executor/Administrator in 2024, Mr. Desiderio L. Laperal discussed and coordinated with the lawyers regarding the procedures and requirements necessary to sell/dispose of some of the properties of the Estate to fully pay its obligations.

On May 30, 2025, the Executor/Administrator of the Estate of Oliverio G. Laperal Sr., Desiderio L. Laperal, filed through counsel, an Omnibus Motion for the (i) Immediate Issuance of the Notice to Creditors; (ii) Authority to sell Properties to Pay Remaining Estate Obligations; and (iii) Partial Distribution of Estate, with the Regional Trial Court, Branch 148, Makati City, Metro Manila.

NOTE 20 - EMPLOYEE COSTS

This account for the years ended December 31 consists of:

	Notes	2025	2024
Salaries and wages	23	**2,588,934**	2,653,205
Retirement benefits expense	17, 23	**297,377**	282,204
SSS, Philhealth and HDMF contributions	23	**103,324**	81,140
		2,989,635	3,016,549

NOTE 21 - FOREIGN CURRENCY-DENOMINATED ASSETS

Dollar denominated assets as at December 31 are as follows:

	2025	2024
Assets:		
Cash and cash equivalents	**45,537**	45,513
Year-end exchange rate	**58.8050**	58.0140
Peso equivalent	**2,677,799**	2,640,398

Unrealized gain on foreign exchange credited to operations for the years ended December 31, 2025 and 2024 amounted to P35,970 and P111,276, respectively (Note 8).

NOTE 22 - LEASE AGREEMENTS

The Group entered into operating lease agreements as follows:

a. The Parent Company entered into an operating lease agreement with Imperial Development Corporation, a related party, for a lease of office space at 82-D and 82-J 4th Street, New Manila, Quezon City including an adjoining room consisting of 26.8 square meters for a period of one year from January 1, 2025 to December 31, 2025, renewable annually upon mutual agreement in writing by both parties, with a monthly rental of P52,976, inclusive of 12% VAT. The lease was renewed in 2025 and 2024 under the same terms, stipulations, and conditions.

b. The Parent Company entered into a sub-lease agreement with Filipinas Golf & Country Club, Inc., a related party, as a sub-lessee for an office space with an area of ten sqm at Unit 202 Villa Building, No. 78 Jupiter Street corner Makati Avenue, Barangay Bel-Air, Makati City for a period of one year with a monthly rate of P9,030 from April 1, 2024 to March 31, 2025 which includes parking and association dues. The sub-lease agreement was renewed for another year in 2025 from April 1, 2025 until March 31, 2026 with a monthly rate of P9,482.

c. The Subsidiary entered into a sub-lease agreement with Filipinas Golf & Country Club, Inc., a related party, as a sub-lessee for an office space with an area of ten sqm at Unit 202 Villa Building, No. 78 Jupiter Street corner Makati Avenue, Barangay Bel-Air, Makati City for a period of one year with a monthly rate of P9,030 from April 1, 2024 to March 31, 2025 which includes parking and association dues. The sub-lease agreement was renewed for another year in 2024 from April 1, 2025 until March 31, 2026 with a monthly rate of P9,482.

Total rent expense charged to operations amounted to P860,565 and P852,438 for the years ended December 31, 2025 and 2024, respectively (Notes 18 and 23).

The future minimum lease payments under non-cancellable operating lease are as follows:

	2025	2024
Not later than one year	**59,051**	54,182

NOTE 23 - ADMINISTRATIVE EXPENSES

This account for the years ended December 31 consist of:

	Notes	2025	2024
Salaries and wages	20	**2,588,934**	2,653,205
Professional fees		**942,772**	850,680
Rent	18, 22	**860,565**	852,438
Taxes and licenses		**587,435**	592,714
Utilities		**555,219**	522,802
Dues and subscription		**325,579**	321,202
Retirement benefit expense	17, 21	**297,377**	282,204
Director's fees	18	**235,000**	225,000
Security services		**204,000**	204,000
Repairs and maintenance		**155,300**	211,675
Transportation and travel		**147,571**	98,730
SSS, Philhealth and HDMF contributions	20	**103,324**	81,140
Supplies and other office expenses		**31,260**	41,848
Insurance		**22,341**	23,034
Bank charges		**1,200**	-
Depreciation	12	**833**	417
Penalties and surcharges		**55**	-
Impairment loss on exploration and evaluation asset		**-**	16,824,116
Miscellaneous expenses		**207,039**	170,627
		7,265,804	23,955,832

Miscellaneous expenses pertains to attendance fees, bank charges and other expenses.

NOTE 24 - NCI

This account as at December 31 consists of:

	2025	2024
NCI net loss for the year	**(3,102)**	(2,992)
NCI in net assets	**(252,846)**	(249,854)
	(255,948)	(252,846)

The NCI represents 1% percent ownership interest of the Subsidiary.

NOTE 25 - BASIC AND DILUTED EARNINGS PER SHARE

The basic earnings per share is computed as follows:

	2025	2024
Income for the year	**33,568,981**	79,236,164
Divided by: Weighted average number of common shares	**636,563,546**	636,563,546
Basic earnings per share	**0.05**	0.12

The diluted earnings per share is computed as follows:

		2025	2024
Income for the year		**33,568,981**	79,236,164
Divided by:	Weighted average number of common shares	**636,563,546**	636,563,546
	Number of shares assumed to be purchased	**15,936,454**	15,936,454
Total		**652,500,000**	652,500,000
Diluted earnings per share		**0.05**	0.12

Villaruz, Villaruz & Co., CPAs

Valuing Your Success

SUPPLEMENTAL WRITTEN STATEMENT OF EXTERNAL AUDITOR

The Board of Directors and Shareholders of
IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
82-J 4th Street, Barangay Mariana, New Manila
Quezon City

We have examined the financial statements of IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY (the 'Group') as at and for the year ended December 31, 2025, on which we have rendered the attached report dated April 8, 2026.

In compliance with SRC Rule 68, we are stating that the said Group has a total number of one thousand five hundred eighty-four (1,584) shareholders owning one hundred (100) or more shares each.

VILLARUZ, VILLARUZ & CO., CPAs
000-889-941

By:

GEORGE V. VILLARUZ
CPA Certificate No. 36018
PRC ID no. 0036018 valid until August 26, 2026
ASEAN Chartered Professional Accountant ID No. 00002361 valid until August 26, 2029
PTR No. 8437854D issued on January 20, 2026 at Quezon City
BIR Accreditation No. (Individual) 07-100688-002-2023 issued on October 9, 2023 valid until October 8, 2026
BIR Accreditation No. (Firm) 07-000109-006-2023 issued on October 13, 2023 valid until October 12, 2026
SEC Accreditation No (Individual) 36018-SEC (Group A) issued on September 10, 2025 (Audit Period Covered 2025-2029)
SEC Accreditation No (Firm) 0058-SEC (Group A) issued on August 12, 2025 (Audit Period Covered 2025-2029)
T.I.N. 101-741-882
BOA/PRC Registration No. 0058/P-001 (Individual) issued on June 27, 2024 valid until June 26, 2027
BOA/PRC Registration No. 0058 (Firm) issued on June 27, 2024 valid until June 26, 2027

Quezon City, Philippines
April 8, 2026

Unit 3, 9th Floor, Galleria Corporate Center, EDSA cor. Ortigas Ave., Quezon City, Philippines
Tel nos. +632 86877034 / +632 86383099
Fax no. +632 86874787
Website: www.villaruz.com.ph

Independent member
Morison Global

Villaruz, Villaruz & Co., CPAs

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Shareholders of
IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
82-J 4th Street, Barangay Mariana, New Manila
Quezon City

We have audited the consolidated financial statements of IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY (the 'Group') in accordance with the Philippine Standards on Auditing as at and for the years ended December 31, 2025 and 2024 have issued our report thereon dated April 8, 2026. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole.

The supplementary information included in the following accompanying additional components is the responsibility of the Group's management.

i. Schedule of financial soundness indicators
ii. Map of conglomerate or group companies within which the reporting entity belongs
iii. Supplementary schedules as required under Annex 68-J
iv. Reconciliation of Retained Earnings Available for Dividend Declaration

The supplementary information referred to above are presented for purposes of complying with Revised Securities Regulation Code (SRC) Rule 68 and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

VILLARUZ, VILLARUZ & CO., CPAs
000-889-941

By:

GEORGE V. VILLARUZ
CPA Certificate No. 36018
PRC ID no. 0036018 valid until August 26, 2026
ASEAN Chartered Professional Accountant ID No. 00002361 valid until August 26, 2029
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Quezon City, Philippines
April 8, 2026

Unit 3, 9th Floor, Galleria Corporate Center, EDSA cor. Ortigas Ave., Quezon City, Philippines
Tel nos. +632 86877034 / +632 86383099
Fax no. +632 86874787
Website: www.villaruz.com.ph

Independent member
Morison Global

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
As at and for the years ended December 31, 2025 and 2024

Pursuant to Revised Securities Regulation Code (SRC) Rule 68 Part 1 General Financial Reporting Requirements No. 5 Other Documents To Be Filed With The Financial Statements.

A. Per Subsection C. "Regulated Entities Enumerated in Section 3 (b) (i) of Part 1 of This Rule" requirement of a schedule, showing financial soundness indicators in three comparative periods as follows: (i) current/liquidity ratios; (ii) solvency ratios, debt-to-equity ratios; (iii) asset-to-equity ratios; (iv) interest rate coverage ratios; (v) profitability ratios; (vi) other relevant ratios as the Commission may consider necessary.

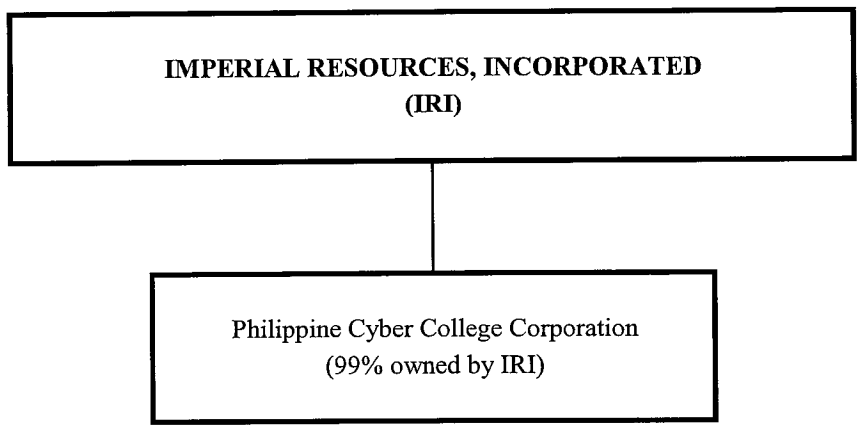
	2025			2024		
(i) Current/liquidity ratios:						
Current assets / Current liabilities	**3,035,210 / 3,435,758**	=	**0.88 : 1**	3,032,343 / 2,913,386	=	1.04 : 1
(ii) Debt-to-equity ratios:						
Total liabilities / Equity	**88,761,263 / 991,827,363**	=	**0.09 : 1**	81,743,852 / 957,429,480	=	0.09 : 1
(iii) Solvency ratios:						
Total liabilities / Total assets	**88,761,263 / 1,080,588,626**	=	**0.08 : 1**	81,743,852 / 1,039,173,332	=	0.08 : 1
(iv) Asset-to-equity ratios:						
Total assets / Equity	**1,080,588,626 / 991,827,363**	=	**1.09 : 1**	1,039,173,332 / 957,429,480	=	1.09 : 1

(v) Interest rate coverage ratios (Earnings before interest and taxes/Interest expense):
This ratio is not applicable since the Parent Entity and Subsidiary has no interest expense.

(vi) Profitability ratios (Net profit after taxes/Revenues before cost of services):
This ratio is not applicable since the Parent Entity and Subsidiary has no revenues.

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
As at and for the year ended December 31, 2025

MAP OF THE CONGLOMERATE OR GROUP OF COMPANIES WITHIN WHICH THE REPORTING ENTITY BELONGS



IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II OF THE
REVISED SRC RULE 68-J
December 31, 2025

Schedule	Description	Page
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	N/A
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	2
D	Long-Term Debt	N/A
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	3
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	4

SCHEDULE A

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
FINANCIAL ASSETS
December 31, 2025

Name of issuing entity and association of each issue	Number of shares or principal amount	Amount shown on the balance sheet	Values based on market quotation at end of reporting period	Income received and accrued
Fair value through other comprehensive income:				
Philcomsat Holdings Corporation (PHC)	800,000	1,472,000	1,472,000	-

SCHEDULE B

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF THE FINANCIAL STATEMENTS
December 31, 2025

Name of and designation of debtor	Beginning of year	Additions	Amounts collected	Amount written-off / Allowance for doubtful account	Current	Non-current	Balance at end of year
Philippine Cyber College Corporation	25,294,934	348,803	-	25,643,737	-	-	-

SCHEDULE E

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
December 31, 2025

Name of and designation of debtor	Beginning of year	Additions	Amounts paid	Current	Non-current	Balance at end of year
LTC Real Estate Corporation	61,683,625	6,410,000	-	-	68,093,625	68,093,625
Estate of Oliverio G. Laperal, Sr.	12,911,215	-	-	-	12,911,215	12,911,215

SCHEDULE G

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
CAPITAL STOCK
December 31, 2025

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related statement of financial position caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of shares held by		
				Related parties	Directors, Officers and Employees*	Others
Common stock	1,800,000,000	636,564,296	-	22,952,375	3,250,000	610,361,921

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended December 31, 2025

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY

Unit 202 Villa Building, No. 78 Jupiter Street

Corner Makati Avenue, Barangay Bel-Air, Makati City

Unappropriated Retained Earnings, beginning of reporting period		**320,522,133**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	-	
Effect of restatements of prior-period adjustments	-	
Others	-	-
Less : Category B: Items that are directly debited to Unappropriated Retained Earnings		
Application for increase in capital stock	-	
Retained Earnings appropriated during the reporting period	-	
Effects of restatements or prior-period adjustments	-	
Others	-	-
Unappropriated Retained Earnings, as adjusted		**320,522,133**
Add/Less: Net Income (loss) for the current year	33,527,291	-
Less: Category C.1: Unrealized income recognized in the profir or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		
Unrealized fair value gain of Investment Property	(40,000,000)	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub total		**(6,472,709)**
Add: Category C.2: Unrealized income recognized in the profir or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub total		-
Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exhange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profir or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained		

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended December 31, 2025

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY

Unit 202 Villa Building, No. 78 Jupiter Street

Corner Makati Avenue, Barangay Bel-Air, Makati City

earnings as a result of a certain transactions accounted for under the PFRS, previously recorded	-	
Sub total		-
Adjusted Net Income/Loss		**(6,472,709)**
Add: Category D: Non actual losses recognized in profit or loss during the reporting period (net of tax)		
Amount of recognized DTA that decreased the amount of income tax expense	-	
Sub total		-
Add/Less: Category E: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement of deferred tax and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liabilty, set-up of asset amd asset retirement obligation, and set-up of service concession asset and concession payable	268,750,000	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Unrealized fair value gain of Investment Property from prior years	(635,000,000)	
Sub total		**(366,250,000)**
Total Retained Earnings, end of the reporting period available for dividend		**(52,200,576)**

FOOTNOTES:

(1) The amount of retained earnings of a company should be based on its separate ("stand-alone") audited financial statements.

(2) Unappropriated Retained Earnings, beginning of reporting period rerers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.

(3) Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the Company and must be adjusted in the reconciliation to reflect the actual distributable amount.

(4) This Reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this Reconciliation of Retained Earnings shoul d not be used by the REIT companies as a basis to determine the amount of its distributable income or dividends to its shareholders. The determination of its distributable inco me should be in accordance with the REIT Act and its Implementing Rules and Regulations.

IMPERIAL RESOURCES, INCORPORATED AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
December 31, 2025 and 2024

	2025	2024
Total Audit Fees	**616,000**	593,600
Non-audit services fees:		
Tax services	-	-
All other services	-	-
Total Non-audit Fees	**-**	-
Total Audit and Non-audit Fees	**616,000**	593,600

Audit and Non-audit fees of other related entities

Audit fees	**56,000**	50,400
Non-audit services fees		
Tax services	-	-
All other services	-	-
Total Audit and Non-audit Fees of other related entities	**56,000**	50,400

ANNEX "F"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, MARCIANO G. DELSON, Filipino, of legal age, and a resident of Unit 14 A&B Condominium, Aurora Boulevard, Brgy. Ermitaño, San Juan City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of IMPERIAL RESOURCES INCORPORATED and have been its Independent Director since July 14, 2022;
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations).

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
San Beda University-Manila	Dean – College of Law	- present
San Beda College Alabang, Muntinlupa City	Professor – School of Law & Member of the Board Trustees	- present
The Firm of Sarmiento Delson & Resurrection	Senior Partner	-present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of IMPERIAL RESOURCES INCORPORATED, as provided for in Section 38 of the Securities Regulation Code its implementing Rules and Regulation and other issuances.

4. I am related to the following directors/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDERS	COMPANY	NATURE OF RELATIONSHIP
	Not Applicable	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be).

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
	Not Applicable	

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

7. I shall inform the Corporate Secretary of IMPERIAL RESOURCES INCORPORATED of any changes in the above-mentioned information within five days from its occurrence.

Done this 02 JUN 2026, 2026 at QUEZON CITY.

MARCIANO G. DELSON
Affiant 02 JUN 2026

SUBSCRIBED AND SWORN TO before me this _____ day of _____, 2026, Affiant exhibited to me his competent proofs of identity and exhibited to me his Tax Identification No. 155-929-554-0000 issued by the Bureau of Internal Revenue.

Notary Public

Doc. No. 229;
Page No. 45;
Book No. XVII;
Series of 2026.

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8204528D/01-05-2026/Q.C.
IBP NO. IBV 562041/12-01-2025/Q.C.
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay
San Roque, Murphy, Quezon City

ANNEX "F"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, GENELITA G. MANANDIC, Filipino, of legal age, and a resident of #1 Maya-Maya Street, corner Maya-Maya Drive, Victoria Valley Subdivision, Brgy. Dela Paz, Antipolo City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of IMPERIAL RESOURCES INCORPORATED and have been its Independent Director since June 10, 2010;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations).

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Filipinas Golf & Country Club, Inc.	Director	2010 - present
Fruit and Veggie Friends Club, Inc.	Founder-Lecturer	2004- present
Thocaris One Corp.	Partners	1990-2018
Subic Bay Waterfront Dev. Corp.	Group Manager	1998-2000
COCOLIFE	Agency Manager	1992-1995
COCOLIFE	Life Underwriter	1991-1992
Everlasting Memorial Park	Marketing Manager	1996-1997

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of IMPERIAL RESOURCES INCORPORATED, as provided for in Section 38 of the Securities Regulation Code its implementing Rules and Regulation and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.

NAME OF DIRECTOR/OFFICER/ SUBSTANTIAL SHAREHOLDERS	COMPANY	NATURE OF RELATIONSHIP
	Not Applicable	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be).

OFFENSE CHARGED/ INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
	Not Applicable	

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

7. I shall inform the Corporate Secretary of IMPERIAL RESOURCES INCORPORATED of any changes in the above-mentioned information within five days from its occurrence.

Done this 02 JUN 2026, 2026 at QUEZON CITY.

GENELITA G. MANANDIC
Affiant

SUBSCRIBED AND SWORN TO before me this _____ day of _____, 2026, Affiant exhibited to me his competent proofs of identity and exhibited to me his Tax Identification No. 135-536-281-000 issued by the Bureau of Internal Revenue.

02 JUN 2026

Notary Public

Doc. No. 224;
Page No. 46;
Book No. XXV;
Series of 2026.

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 8304528D/01-05-2026/Q.C.
IBP NO. INV 562041/12-01-2025/Q.C.
ROLL NO. 38435
MCLE NO. VIII-0008500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay San Roque, Murphy, Quezon City

ANNEX "G"

IMPERIAL RESOURCES INCORPORATED

Unit 202 Villa Building, No. 78 Jupiter Street
Bel-Air, Makati City, Metro Manila 1209
Tel. No. 8721-6994

SEC REG. No. 39243

REGULAR ANNUAL STOCKHOLDERS' MEETING

IMPERIAL RESOURCES INCORPORATED
Unit 202 Villa Building, No. 78 Jupiter Street
Bel-Air, Makati City, Metro Manila
10:00 A.M., July 10, 2025

MINUTES

(Pursuant to a written notice, the regular annual stockholders' meeting of Imperial Resources Incorporated was held on Thursday, July 10, 2025, 10:00 o'clock in the morning, at Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila, and through remote communication [Zoom Meeting ID: 883 7592 9289; Passcode: 882390]).

CALL TO ORDER

ITEM I
Secretary's Proof of Notice of Meeting

Chairman : The *First Item* in the Agenda is the Secretary's Proof of Notice of Meeting.

Mr. Secretary, please give us a report on the giving out of Notices?

Corporate Secretary : Mr. Chairman, I have the honor to report that copies of the Definitive Information Statement (SEC FORM 20-IS) containing the Written Notice of the annual stockholders' meeting of Imperial Resources Incorporated set for today, July 10, 2025, together with the Agenda of the meeting, were sent by remote communication facility, postal system and private courier service under my personal supervision beginning on June 11, 2025, to all stockholders of record at their respective address as shown in the Books of the corporation.

The notice of the annual meeting sent to the stockholders of record is in the following words and tenor:

IMPERIAL RESOURCES INCORPORATED
Unit 202 Villa Building, No. 78 Jupiter Street
Barangay Bel-Air, Makati City, Metro Manila

NOTICE OF THE REGULAR ANNUAL STOCKHOLDERS' MEETING

DEAR STOCKHOLDERS:

NOTICE IS HEREBY GIVEN *that the regular annual meeting of the stockholders of Imperial Resources Incorporated will be held at Unit 202 Villa Building, No. 78 Jupiter Street, Bel-Air, Makati City, Metro Manila, on Thursday, July 10, 2025, at 10:00 o'clock in the morning and via Google Zoom Platform, Meeting ID: 883 7592 9289; Passcode 882390. The order of business of said meeting shall be as follows:*

1. *Secretary's Proof of Notice of Meeting*
2. *Declaration of Quorum*
3. *Approval of Minutes of the regular annual stockholders' meeting held on July 11, 2024.*
4. *Annual Report as at December 31, 2024*
   4.1. President's Report to equity holders
   4.2. Financial Statements
5. *Approval by the stockholders of the Annual Report and the Financial Statements of the corporation.*
6. *Election of seven (7) members of the Board of Directors inclusive of two (2) Independent Directors.*
7. *Ratification of the appointment of Villaruz, Villaruz & Co. CPA's as Independent Auditor of Imperial Resources Incorporated with business address at Unit 3 Level 9 Galleria Corporate Center, E. Delos Santos Avenue (EDSA) corner Ortigas Avenue, Quezon City, Metro Manila.*
8. *Ratification of all acts, contracts, resolutions and proceedings of the board of directors and corporate officers acting within the scope of their designated authority from July 11, 2024, annual stockholders' meeting until the present, July 10, 2025.*
9. *Other Matters*
10. *Adjournment*

The Board of Directors has fixed May 23, 2025, as the record date for the determination of stockholders who are entitled to notice and to vote at the meeting. On the other hand, the Stock and Transfer Book of the company will be closed at 5:00 o'clock in the afternoon of July 02, 2025, and will be reopened after the stockholders' meeting.

(Sgd.) ***JESUS VICENTE B. CAPELLAN***
Corporate Secretary

The notice of the annual meeting was likewise published in the June 11, 2025, issues of the newspaper of general circulation, namely: The Philippine Star and Manila Bulletin.

The Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) were furnished and served with copies of the Notice and Agenda of the regular annual stockholders' meeting in SEC

FORM 20-IS on June 10, 2025, through electronic mail (e-mail) and personal service.

The Transfer Agent of the corporation, Professional Stock Transfer, Inc., was notified of the regular annual stockholder's meeting on June 09, 2025, and while the Auditor, Villaruz, Villaruz, & Co., CPAs, was served of the same notice on June 10, 2025.

Accordingly, Mr. Chairman, all the requirements of law and the By-Laws of the corporation concerning the giving out of notices of the regular annual stockholders' meeting to all stockholders of record entitled to vote and other agencies have been duly complied with.

Meanwhile, it is hereby reported and recorded that a certain individual by the name Mr. Gerry Orbos attempted to join over the online platform. But he was turned down to participate in the annual meeting because, after verification, he appears not to be a stockholder, stock broker nor a registered proxy.

Chairman : Thank you.

ITEM II
Declaration of Quorum

Chairman : The *Second Item* in the Agenda is the Declaration of *Quorum*. Mr. Secretary, do we have a *quorum* to do business today?

Corporate Secretary : Mr. Chairman, the Books of Imperial Resources Incorporated show that as of the Record Date on May 23, 2025, the number of shares outstanding and entitled to vote in the regular annual stockholders' meeting is *Six Hundred Fifty-Two Million Five Hundred Thousand (652,500,000.00), common shares*, with the *par value* of One Peso (Php1.00), *per share*.

Of said number of shares *Five Hundred Seventy-Two Million Nine Hundred Seventy-Two Thousand Five Hundred Forty-Five (572,972,545)* shares are present in person and those represented by holders of Secretary's Certificate, Special Power of Attorney and of unsolicited proxies.

Consequently, Mr. Chairman, the number of shares present in person and by holders of Secretary's Certificate, Special Power of Attorney and unsolicited proxies in today's meeting is *Eighty-Seven point Eight One One Nine percent (87.8119%)* of the subscribed and outstanding capital entitled to vote.

I therefore recommend, Mr. Chairman, that a *quorum* be declared in the meeting set for today.

Chairman : Thank you very much. There being a quorum as declared by the Corporate Secretary, we have the legal authority to proceed with the consideration of the other items of the agenda for this meeting.

ITEM III
Approval of the Minutes of Regular Annual Stockholders' Meeting held on July 11, 2024

Chairman : The *Third Item* in the Agenda is the approval of the Minutes

of the Regular Annual Stockholders' Meeting held on July 11, 2024. Can I have any comment in this?

Movant : Mr. Chairman, I move that the reading of the Minutes of the regular annual stockholders' meeting of Imperial Resources Incorporated held on July 11, 2024, be dispensed with and the same be approved, confirmed and ratified.

Seconder : I second the motion.

Chairman : Is there any objection?

There being none, upon motion and duly seconded, the following resolution is approved -

*"**RESOLVED**, That the reading of the Minutes of the regular annual stockholders' meeting of Imperial Resources Incorporated held on July 11, 2024, be dispensed with and the same is hereby approved, confirmed and ratified."*

ITEM IV
Annual Report as at December 31, 2024
(i) **President's Report to Equity Holders**
(ii) **Financial Statements**

Chairman : The *Fourth Item* in the Agenda is the Annual Report as at December 31, 2024. (*i*) President's Report to Equity Holders; (*ii*) Financial Statements.

Can we have the Report of the President, please?

President : Good morning, everyone.

(The President reads his Report)

Dear Fellow Shareholders,

I am pleased to present to you the President's Report for Imperial Resources Inc. for the fiscal year ending December 31, 2024. My sincere gratitude extends to our dedicated Board of Directors and our hard-working staff for their unwavering commitment and efforts on behalf of the Company throughout this past year.

Economic Overview

In 2024, the global economy demonstrated resilience with an approximate growth of 3.2%, supported by strong consumption and investment, despite prevailing high interest rates and geopolitical tensions. Challenges such as increased energy prices and ongoing conflicts continued to present headwinds. Against this backdrop, the Philippine economy showcased notable strength, achieving a Gross Domestic Product (GDP) growth of 5.6% for the year. While headline inflation experienced

some fluctuations, for instance, rising to 2.5% in November 2024 due to food price pressures and typhoon-related disruptions, it largely remained within the Bangko Sentral ng Pilipinas (BSP)'s target range of 2-4%. In a move to foster economic activity, the BSP implemented three rate cuts totalling 0.75% during 2024.

Looking ahead to 2025, further rate cuts are anticipated from the BSP. However, we remain cognizant of potential risks including escalating tariff wars, heightened geopolitical tensions, and persistent inflationary pressures. We are confident that the Philippines' robust economic fundamentals, coupled with proactive policymaking, will enable the nation to navigate these complexities effectively.

Company Performance and Operational Highlights

In 2024, your Company achieved a significant ***total comprehensive income of Php79.44 million****, a substantial improvement from the Php19.10 million gain recorded in 2023. This positive result was primarily driven by an unrealized fair value gain of Php103 million from the revaluation of our investment property, compared to a Php43 million gain from the same source in the prior year.*

Consistent with our prudent accounting practices and in line with Philippine Accounting Standards, your Company continued the impairment of its investment in PT Asphal Buton Nasional. In 2024, an additional impairment loss of Php16.82 million was recognized for these exploration and evaluation assets, bringing the carrying value of this investment to nil as of December 31, 2024. This decision follows ongoing assessments indicating the non-feasibility of the asphalt mining concession project in Sulawesi, Indonesia. While communication with our Indonesian partners has been re-established, and we await further reports, the outlook for this project remains challenging.
Our subsidiary, Philippine Cyber College Corporation (PCCC), continues to face operational challenges, with its operations remaining suspended. Consequently, a full allowance for impairment loss has been maintained for our investment in PCCC, and an additional impairment of Php275,000 was recognized for amounts due from the subsidiary in 2024, reflecting its ongoing capital deficiency.

Despite these specific investment challenges, the Company's overall financial position has strengthened, largely due to the performance of our investment property.

Continuing Support

The Laperal family, honouring the legacy and wishes of our esteemed founder, the late Oliverio G. Laperal, Sr., remains steadfast in its commitment to Imperial Resources Inc. This support has been crucial for our continued operations.

As we navigate the path ahead, we will continue to manage our assets prudently, explore avenues for sustainable growth, and uphold our commitment to transparency and good governance.

Thank you for your continued trust and support.

Sincerely,

(Sgd.) ***Oliverio L. Laperal, Jr.***
President

Chairman : Thank you, Mr. President. And now may we have your report on the Financial Statement.

Corporate Secretary : Mr. Chairman, copies of the Audited Financial Statements were already furnished to all stockholders of record as contained in the Definitive Information Statement (SEC FORM 20-IS).

So may I invite the attention of everyone to look at the Definitive Information Statement furnished to all stockholders of record.

Chairman : Please look over on your copies. Is there any clarificatory question or inquiry on matters relative to the operations and financial condition of the corporation and its subsidiary as at December 31, 2024.

There being none, let the Report of the President be noted and spread into the records.

ITEM V
Approval by the Stockholders of the Annual Report and the Financial Statements of the Corporation

Chairman : The *Fifth Item* in the Agenda is the approval by the stockholders of the Annual Report and the Financial Statements of the corporation.

Movant : Mr. Chairman, I move that the Annual Report and the Audited Financial Statements as at December 31, 2024, be approved, confirmed and ratified.

Seconder : I second the motion.

Chairman : Is there any objection?

There being none, upon motion and duly seconded, the following

resolution is approved -

> *"**RESOLVED**, That the Report of the President be noted, and the Audited Financial Statements of Imperial Resources Incorporated as well as its subsidiary as at December 31, 2024 be, as the same hereby are, approved, confirmed and ratified."*

ITEM VI
Election of Seven (7) Members of the Board of Directors Inclusive of Two (2) Independent Directors

Chairman : The *Sixth Item* in the Agenda is the Election of the seven (7) members of the Board of Directors inclusive of two (2) Independent Directors.

Corporate Secretary : The floor is now open for nomination.

Movant : Mr. Chairman, I would like to nominate as directors of the board the following stockholders:

Nominee	Position
Atty. Horacio M. Pascual	Director
Mr. Oliverio L. Laperal, Jr.	Director
Mr. Desiderio L. Laperal	Directtor
Atty. Jesus Vicente B. Capellan	Director
Ms. Vilma B. Villanueva	Director
Dean Marciano G. Delson	Independent Director
Ms. Genelita G. Manandic	Independent Director

Chairman : Is there any other nomination?
There being none, do we have any motion?

Movant : Mr. Chairman, I move that the nomination be closed.

Seconder : I second the motion.

Movant : Mr. Chairman, since there is no other nomination made, I move that all votes be cast to all nominated candidates for the position of directors of the board.

Seconder : I second the motion.

Chairman : Is there any objection?
There being none, let all the votes be cast to all nominated candidates for the position of directors of the board. That being so, the following are the duly elected members of the board, namely –

Member of the Board	Position
Atty. Horacio M. Pascual	Director
Mr. Oliverio L. Laperal, Jr.	Director
Mr. Desiderio L. Laperal	Directtor

Atty. Jesus Vicente B. Capellan	Director
Ms. Vilma B. Villanueva	Director
Dean Marciano G. Delson	Independent Director
Ms. Genelita G. Manandic	Independent Director

ITEM VII
Ratification of the Appointment of Villaruz, Villaruz & Co. CPA's as Independent Auditor of Imperial Resources Incorporated, with Business Address at Unit 3, Level 9 Galleria Corporate Center, E. Delos Santos Avenue (EDSA) corner Ortigas Avenue, Quezon City, Metro Manila

Chairman : The *Seventh Item* in the Agenda is the Ratification of the appointment of Villaruz, Villaruz & Co. CPA's as Independent Auditor of Imperial Resources Incorporated, with business address at Unit 3, Level 9 Galleria Corporate Center, E. Delos Santos Avenue (EDSA) corner Ortigas Avenue, Quezon City, Metro Manila.

Can we have any comment on this item?

Movant : Mr. Chairman, I move that the appointment of Villaruz, Villaruz & Co. CPA's as Independent Auditor of Imperial Resources Incorporated, with business address at Unit 3, Level 9 Galleria Corporate Center, E. Delos Santos Avenue (EDSA) corner Ortigas Avenue, Quezon City, Metro Manila, be approved, confirmed and ratified.

Seconder : I second the motion.

Chairman : Is there any opposition or objection to the motion?

There being none, upon motion and duly seconded, the following resolution is approved -

> *"**RESOLVED**, That the appointment of Independent Auditor, Villaruz, Villaruz & Co., CPAs, with business address at Unit 3 Level 9 Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila, be approved, confirmed and ratified."*

ITEM VIII
Ratification of all Acts, Contracts, Resolutions and Proceedings of the Board of Directors and Corporate Officers Acting within the Scope of their Designated Authority from July 11, 2024 Annual Stockholders' Meeting until the Present, July 10, 2025

Chairman : The *Eighth Item* in the Agenda is the Ratification of all acts, contracts, resolutions and proceedings of the Board of Directors and Corporate Officers acting within the scope of their designated authority from July 11, 2024 annual stockholders' meeting until the present, July 10, 2025.

Movant : Mr. Chairman, I move that all acts, contracts, resolutions and proceedings of the Board of Directors and Corporate Officers, acting

within the scope of their designated authority, from July 11, 2024 annual stockholders' meeting until the present, July 10, 2025, be approved, confirmed and ratified.

Seconder : I second the motion.

Chairman : Is there any objection on the motion?
There being none, upon motion and duly seconded, the following resolution is approved –

> *"**RESOLVED**, That all acts, contracts, resolutions and proceedings of the Board of Directors and Corporate Officers acting within the scope of their designated authority from July 11, 2024, regular annual stockholders' until the present, July 10, 2025, be, as the same hereby are, approved, confirmed, and ratified."*

ITEM IX
Other Matters

Chairman : Is there any other matter submitted for today's consideration, inquiry, clarification and/or approval?
There being none, do we hear any motion?

ITEM X
Adjournment

Movant : Mr. Chairman, I move that the meeting be adjourned.

Seconder : I second the motion.

(There being no other business to transact, the meeting was, on motion made and duly seconded, adjourned at 10:30 o'clock in the morning)

RESULTS OF 2025 REGULAR ANNUAL STOCKHOLDERS' MEETING

Attendee	**Position/Identity**	**Device or Method Used in the Communication and Participation (smartphone, tablet, laptop, desktop, television, etc.)** **Google Zoom Platform** **Meeting ID: 883 7592 9289** **Passcode: 882390**
Atty. Horacio M. Pascual	Director	Onsite
Oliverio L. Laperal	Director	Online *via* digital zoom platform

Desiderio L. Laperal	Director/as Administrator/Executor of the Testate Estate of Oliverio G. Laperal, Sr./as Proxy for LTC Real Estate Corporation	Onsite
Atty. Jesus Vicente B. Capellan	Director	Onsite
Vilma B. Villanueva	Director	Online *via* digital zoom platform
Genelita G. Manadic	Independent Director	Online *via* digital zoom platform
Dean Marciano G. Delson	Independent Director	Online *via* digital zoom platform
Victorina L. Laperal	Stockholder	Online *via* digital zoom platform
Bernadette S. Magahis	Proxy for LMI Holdings Corporation	Online *via* digital zoom platform
George V. Villaruz	External Auditor	Online *via* digital zoom platform
Normita L. Villaruz	External Auditor	Online *via* digital zoom platform

Total No. of Common Shares Outstanding	**Par Value per Share**	**No. of Shares Present in Person**	**No. of Shares Present by Holders of Proxy**	**Votes Cast**	**Percent of the Votes Cast**
652,500,000	Php1.00	3,786,500	569,186,045	572,972,545	87.8119

Nominee	**Position**	**Votes**	**Abstain**	**Percentage of Votes Cast**
Atty. Horacio M. Pascual	Director	572,972,545	None	87.8119
Desiderio L. Laperal	Director	572,972,545	None	87.8119
Oliverio L. Laperal, Jr.	Director	572,972,545	None	87.8119
Vilma B. Villanueva	Director	572,972,545	None	87.8119
Atty. Jesus Vicente B. Capellan	Director	572,972,545	None	87.8119
Genelita G. Manadic	Independent Director	572,972,545	None	87.8119
Dean Marciano G. Delson	Independent Director	572,972,545	None	87.8119

Submissions in the Agenda for Approval	Votes	Abstain	Percentage of Votes Cast
Approval of the Minutes of regular annual stockholders' meeting held on July 11, 2024	572,972,545	None	87.8119
Approval by the stockholders of the Annual Report and the Financial Statements of the corporation	572,972,545	None	87.8119
Ratification of the appointment of Villaruz, Villaruz & Co. CPA's as Independent Auditor of Imperial Resources Incorporated, with business address at Unit 3, Level 9 Galleria Corporate Center, E. Delos Santos Avenue (EDSA) corner Ortigas Avenue, Quezon City, Metro Manila	572,972,545	None	87.8119
Ratification of all acts, contracts, resolutions and proceedings of the Board of Directors and Corporate Officers acting within the scope of their designated authority from July 11, 2024 Annual Stockholders' Meeting until the present, July 10, 2025	572,972,545	None	87.8119

Certified Correct By:	
Atty. JESUS VICENTE B. CAPELLAN Corporate Secretary	

ANNEX "H"

ONCOLL PAYMENT SLIP

This is your receipt when machine validated.

ONCOLL PAYMENT SLIP

LANDBANK

Please check the appropriate mode of payment.

[/] CASH [ ] CHECK [ ] DEBIT FROM ACCOUNT

DATE: 6/4/2026

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER: 0552 222288

MERCHANT / AGENCY NAME:

Reference Number 1: 20260603-15203150

Printed Name and Signature of Payor / Depositor / Representative:

Reference Number 2: IMPERIAL RESOURCES INCORPORATED

Reference Number 3 (Numeric): ₱7,500.-

Amount: SEVEN THOUSAND FIVE HUNDRED PESOS

Validation: 04JUN2026 11:12:18 000071 2VPA Reg Pymt Coll
BRANCH NAME 0292
INSTITUTION NAME Securities and Exchange Commisi
CLRNG ACCT NO 0552222288
PAYMENT ASSESSMENT FORM 2026060315203150
NAME OF PAYOR IMPERIAL RES
AMOUNT PHP 7,500.00
40.00

ONCOLL PAYMENT SLIP

This is your receipt when machine validated.

ONCOLL PAYMENT SLIP

LANDBANK

Please check the appropriate mode of payment.

[/] CASH [ ] CHECK [ ] DEBIT FROM ACCOUNT

DATE: 6/4/2026

MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER: 3402 231920

MERCHANT / AGENCY NAME:

Reference Number 1: 20260603-15203150

Printed Name and Signature of Payor / Depositor / Representative:

Reference Number 2: IMPERIAL RESOURCES INCORPORATED

Reference Number 3 (Numeric): ₱75.00

Amount: SEVENTY-FIVE PESOS ONLY

Validation: 04JUN2026 11:11:27 000069 2VPA Reg Pymt Coll
BRANCH NAME 0292
INSTITUTION NAME Sec Head Office
CLRNG ACCT NO 3402231920
PAYMENT ASSESSMENT FORM 2026060315203150
COMPANY NAME IMPERIAL RES
AMOUNT PHP 75.00
0.00