

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

FOR FINANCIAL STATEMENTS

The Management of the **JOHN HAY MANAGEMENT CORPORATION** is responsible for the preparation of the financial statements as at **31 December 2025**, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.

The Commission on Audit has audited the financial statements of the **JOHN HAY MANAGEMENT CORPORATION** in accordance with the Philippine Public Sector Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.



JOSE EMMANUEL P. GUILLERMO

Chairperson of the Board

FEB 09 2026

Date Signed



LEA C. QUISOBEN-MAGULAO

Finance Manager

FEB 09 2026

Date Signed



MANJIT T. SINGH REANDI

President and CEO

FEB 09 2026

Date Signed

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	NOTE	CY2025	CY2024
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	77,301,589.48	59,523,274.79
Investments	6	42,017,851.03	41,539,922.65
Receivables	7	90,901,079.93	71,565,475.14
Inventories	8	4,607,462.97	4,658,120.42
Other Current Assets	12	3,005,283.59	2,375,208.64
Total Current Assets		217,833,267.00	179,662,001.64
Non-Current Assets			
Investments	6	5,632,000.00	5,632,000.00
Receivables	7	5,112,556.02	4,635,430.25
Investment Property	9	754,468.03	754,468.03
Property, Plant and Equipment	10	38,344,137.95	29,282,120.52
Intangible Assets	11	922,500.00	304,732.14
Total Non-Current Assets		50,765,662.00	40,608,750.94
TOTAL ASSETS		268,598,929.00	220,270,752.58
LIABILITIES			
Current Liabilities			
Financial Liabilities	13	23,580,265.42	5,880,484.85
Inter-Agency Payables	14	21,447,159.14	6,773,406.77
Trust Liabilities	15	7,725,081.07	2,984,531.83
Deferred Credits/Unearned Income	16	2,068,033.37	118,221.60
Provisions	17	8,401,778.60	3,926,763.52
Other Payables	18	-	90,597.59
Total Current Liabilities		63,222,317.60	19,774,006.16
Total Liabilities		63,222,317.60	19,774,006.16
EQUITY			
Equity			
Retained Earnings/(Deficit)		(71,864,843.12)	(76,744,708.10)
Stockholders' Equity		277,241,454.52	277,241,454.52
Total Equity		205,376,611.40	200,496,746.42
TOTAL LIABILITIES AND EQUITY		268,598,929.00	220,270,752.58

The notes on pages 10 to 17 form part of these statements.



CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTE	CY2025	CY2024
Income			
Service and Business Income	19	210,585,504.85	127,173,388.58
Shares, Donations and Grants	20	73,364.48	102,321.43
Gains	21	112,219.85	346,732.91
Other Non-Operating Income	22	9,188.56	63,331.19
Total Income		210,780,277.74	127,685,774.11
Expenses			
Personnel Services	23	(62,444,741.23)	(63,405,789.33)
Maintenance & Other Operating Expenses	24	(111,284,763.38)	(36,691,449.84)
Financial Expenses	25	(1,060.00)	(1,888.00)
Non-Cash Expenses	26	(7,649,687.57)	(3,885,649.74)
Total Expenses		(181,380,252.18)	(103,984,776.91)
Profit/(Loss) Before Tax		29,400,025.56	23,700,997.20
Income Tax Expense/(Benefit)		7,390,159.76	5,981,995.94
PROFIT/(LOSS) AFTER TAX		22,009,865.80	17,719,001.26
Assistance and Subsidy		-	-
Other Comprehensive Income/(Loss) for the Period		-	-
COMPREHESIVE INCOME/(LOSS)		22,009,865.80	17,719,001.26

The notes on pages 17 to 20 form part of these statements.



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	NOTE	Retained Earnings/ (Deficit)	Share Capital	Share Premiu m	TOTAL
BALANCE AT 01 JANUARY, 2024		(127,175,483.30)	315,609,500.00	29.28	188,434,045.98
CHANGES IN EQUITY FOR 2023					
Add/(Deduct):					
Issuance of Share Capital			-	-	-
Comprehensive Income for the Year		17,719,001.26			17,719,001.26
Dividends		(7,326,319.61)			(7,326,319.61)
Other Adjustments		40,038,093.55	(38,368,100.00)	25.24	1,670,018.79
BALANCE AT 31 DECEMBER, 2024		(76,744,708.10)	277,241,400.00	54.52	200,496,746.42
BALANCE AT 01 JANUARY, 2025		(76,744,708.10)	277,241,400.00	54.52	200,496,746.42
CHANGES IN EQUITY FOR 2025					
Add/(Deduct):					
Issuance of Share Capital			-	-	-
Comprehensive Income for the Year		22,009,865.80			22,009,865.80
Dividends	30	(14,329,561.10)			(14,329,561.10)
Other Adjustments	4	(2,800,439.72)	-	-	(2,800,439.72)
BALANCE AT 31 DECEMBER, 2025	27	(71,864,843.12)	277,241,400.00	54.52	205,376,611.40

The notes on pages 9 and 25 form part of these statements.



**CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	NOTE	CY2025	CY2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Collection of Income/Revenue		174,837,056.27	131,521,520.86
Collection of Receivables		66,603,954.78	65,480,210.76
Trust Receipts		1,655,083.30	649,456.42
Other Receipts		752,741.69	783,697.13
Total Cash Inflows		243,848,836.04	198,434,885.17
Adjustments		57,500.00	69,399.00
Adjusted Cash Inflows		243,906,336.04	198,504,284.17
Cash Outflows			
Payment of Expenses		(110,657,018.85)	(82,015,801.59)
Purchase of Inventories		(4,790,809.96)	(3,626,364.27)
Grant of Cash Advances		(1,564,535.29)	(1,620,290.00)
Prepayments		(1,219,049.48)	(2,605,406.74)
Refund of Deposits		-	-
Payment of Accounts Payable		(4,952,651.17)	(3,724,471.59)
Remittance of Personnel Benefit Contributions and Mandatory Deductions		(27,101,733.19)	(23,694,666.91)
Other Disbursements		(59,032,200.78)	(69,686,438.11)
Total Cash Outflows		(209,317,998.72)	(186,973,439.21)
Adjustments		-	-
Adjusted Cash Outflows		(209,317,998.72)	(186,973,439.21)
Net Cash Provided By/(Used In) Operating Activities	27.1	34,588,337.32	11,530,844.96
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from Sale/Disposal of Property, Plant and Equipment		-	-
Total Cash Inflows		-	-
Cash Outflows			
Purchase/Construction of Property, Plant and Equipment		(2,480,461.53)	(5,958,841.98)
Purchase of Intangible Assets		-	(64,000.00)
Total Cash Outflows		(2,480,461.53)	(6,022,841.98)
Adjustments: Additional Investment to Fund Placements		-	-
Adjusted Cash Outflows		(2,480,461.53)	(6,022,841.98)

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	NOTE	CY2025	CY2024
Net Cash Provided By/(Used In) Investing Activities	27.2	(2,480,461.53)	(6,022,841.98)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Inflows			
Proceeds from Issuance of Capital Stock & Other Equity Securities		-	-
Total Cash Inflows		-	-
Cash Outflows			
Payment of Cash Dividends		(14,329,561.10)	(7,326,319.61)
Total Cash Outflows		(14,329,561.10)	(7,326,319.61)
Net Cash Provided By/(Used In) Financing Activities	27.3	(14,329,561.10)	(7,326,319.61)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		17,778,314.69	(1,818,316.63)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	27.4	-	-
CASH AND CASH EQUIVALENTS, JANUARY 1		59,523,274.79	61,341,591.42
CASH AND CASH EQUIVALENTS, DECEMBER 31		77,301,589.48	59,523,274.79

The notes on pages 21 to 23 form part of these statements.

JOHN HAY MANAGEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
For the Year Ended 31 December, 2025

1. GENERAL INFORMATION/ENTITY PROFILE

The John Hay Management Corporation (JHMC) is a non-chartered Government Owned and/or Controlled Corporation, duly incorporated under Batas Pambansa Blg. 68 otherwise known as "The Corporation Code of the Philippines", with Securities and Exchange Commission registration number ASO93-04846. JHMC is a member of the Bases Conversion and Development Authority (BCDA) Group and is located in John Hay Special Economic Zone (JHSEZ), Loakan, Baguio City.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements (FS) have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS) prescribed by the Commission on Audit under COA Circular No. 2015-003 dated 16 April, 2015 and COA Circular No. 2017-004 dated 13 December, 2017.

The accounting policies have been consistently applied throughout the years presented.

The FS have been prepared on the basis of historical cost, unless stated otherwise; and are presented in Peso (₱), which is the functional currency of the country. The Statement of Cash Flows is prepared using the direct method.

The preparation of FS in compliance with the adopted PFRS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. The areas where significant judgments and estimates have been made in preparing the FS and their effects are disclosed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of accounting

The JHMC's FS is prepared in accordance with the International Accounting Standard (IAS) 1, The Objective of which is to prescribe the basis of presentation of general purpose financial statement. Set out the overall requirement for the presentation of Financial Statement guidelines for their structure and minimum requirement for their content.

The FS are prepared on an accrual basis of accounting as required by IAS 1 except for the cash flow information covered by PAS 7.

3.2 Financial Instruments (PFRS 9)

JHMC shall recognize a financial asset in its Statement of Financial Position when and only when JHMC becomes a party to the contractual provisions of the instrument. Financial assets are measured through comprehensive income or loss.

Financial assets are initially recognized in accordance with 5.1.1 to wit;



- At initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of financial asset or financial liability not at fair value through profit or loss, transaction cost that are directly attributable to the acquisition or issue of the financial asset financial liability.

JHMC classifies the Financial Asset at amortized cost in accordance with 4.1.2 of IFRS 9 to wit;

- A financial asset shall be measured at amortized cost if both of the following condition are met:
 1. The Asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
 2. The contractual terms of the financial asset give rise to a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets of JHMC are held in order to collect cash flows. i.e. accounts receivable

Furthermore, under 4.2.1 states that an entity shall classify all financial liabilities as subsequently measured at amortized cost using the effective interest method, however JHMC's financial liabilities are short term which are expected to be settled in twelve months.

3.3 Cash and Cash Equivalents (PAS 7)

Cash and cash equivalents comprise of cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.4 Inventories (PAS 2)

Inventory is measured at cost upon initial recognition. To the extent that inventory is received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the JHMC.

3.5 Investment Property (PAS 40)

Investment Property (IP) is a property land and building leased to lessee to earn rentals or for capital appreciation or both. Investment property is initially measured at cost, including transaction cost. Such cost should not include start-up costs, abnormal

waste, including losses incurred before the investment property achieves the planned occupancy.

Measurement after Recognition

JHMC adopts the cost model to its investment property and are depreciated over their estimated useful life of ten to thirty years.

Depreciation

The straight line method of depreciation is adopted unless another method is more appropriate for entity operation. The estimated useful life of the IPs ranges from 10 to 30 years and are provided with a 5% or 10% residual value.

3.6 Property, Plant and Equipment (IAS 16)

Property Plant and Equipment (PPE) are tangible items that are held for services, rental to others, or administrative purposes; and are expected to be used during more than one period.

Recognition

The cost of an item of PPE shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

JHMC adopts the capitalization threshold of ₱50,000.00 cost in recording PPEs as prescribed by COA Circular No. 2022-004 dated 31 May 2022.

Elements of Cost

Cost includes its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Measurement after recognition

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, JHMC recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in Profit or Loss as incurred.



Depreciation

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation method

The straight line method of depreciation is adopted unless another method is more appropriate for entity operation. This method is applied consistently from period to period unless there is change in the expected pattern of consumption of those future economic benefits or service potential.

Estimated useful life

The residual value and the useful life of an asset shall be reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) shall be accounted for as a change in an accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The JHMC uses the guideline for the PPE's life spans as indicated under section 6 of COA Circular Number 2017-2004 in determining the estimated useful life for each asset or are based on judgment from experiences of using similar assets. The following estimated useful life are currently being applied by JHMC on its properties:

Item of PPE	Estimated Useful Life
Land Improvements	Over the useful life of the asset to which the improvement was made or the useful life of the improvement if significantly shorter
Buildings and Other Structures	20 to 50 years
Machinery and Equipment	5 to 15 years
Motor Vehicles	5 to 15 years
Furniture and Fixtures	2 to 15 years
Other Property, Plant and Equipment	2 to 15 years

Residual value

The residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The JHMC uses a residual value equivalent to at least five or ten percent (5% or 10%) of the cost of the PPE, except for some unserviceable assets that are on



process of disposition which have been fully depreciated and have ₱1.00 carrying amount.

Derecognition

JHMC derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.7 Intangible Assets (PAS 37)

Recognition and measurement

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably.

Intangible assets acquired separately are initially recognized at cost.

Recognition of an expense

Expenditure on an intangible item is recognized as an expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria of an intangible asset.

Measurement after recognition

After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.

Useful Life

An entity shall assess whether the useful life of an intangible asset is finite or indefinite and, if finite, the length of, or number of production or similar units constituting that useful life. An intangible asset shall be regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

3.8 Changes in Accounting Policies and Estimates (PAS 8)

The JHMC recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The JHMC recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

The JHMC corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by restating the



comparative amounts for prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

Changes in accounting policies

JHMC adopted PFRS and COA issuances in its preparation and presentation of its financial reports.

For CY2025, the JHMC and BCDA had entered into a Cost-Sharing Agreement (CSA) effective 01 June 2025, which states that the previously incurred expenses by JHMC under the Land Related Cost (LRC) budget and was recorded as expenses of BCDA would be recorded as expenses in the books of JHMC. The LRC incurred would be reimbursed by BCDA as a VATable transaction with no profit added. The phrase "no-profit, reimbursement-of-cost-only" would be noted in the Invoice to be issued by JHMC.

3.9 The Effects of Changes in Foreign Exchange Rates (PAS 21)

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- a. Foreign currency monetary items are translated using the closing rate;
- b. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- c. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss shall be recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss.

3.10 Employee Benefits (PAS 19)

Prescribes the accounting and disclosure for employee benefits, requiring an entity to recognize a liability where an employee has provided service and an expense when the entity consumes the economic benefits of employee service

JHMC's compensation is governed by Governance Commission for GOCCs (GCG) by virtue of Republic Act (RA) No. 10149 otherwise known as the "GOCC Governance Act of 2011".



EXECUTIVE ORDER NO. 150, titled "*Approving the Compensation and Position Classification System (CPCS) and index of occupational services, position titles, and job grades for GOCCS (ios-g) framework, repealing executive order no. 203 (s. 2016), and for other purposes*" issued on October 4, 2021, is the main issuance where all Government Owned and Controlled Corporations (GOCCs), including John Hay Management Corporation, based their compensation, salaries and benefits. The Governance Commission for Government Owned or Controlled Corporations (GCG) issued CPCS Implementing Guidelines No. 2021-01 detailing the salary grade and salaries. GCG CPCS Circulars 01 to 10 details the benefits of GOCCs including JHMC.

However, E.O. No. 150, s. 2021 was superseded by the issuance of Executive Order (E.O.) No. 95, s. 2025 and its Implementing Guidelines. Thus, it is now the basis of JHMC's compensation, allowances, benefits and incentives.

JHMC provides contributions mandated by the laws, rules and regulations which are within the definition of employee benefits (PAS 19). Social Security Contributions (SSS, PhilHealth and Pag-IBIG) are within the Defined Contribution Plan and are expensed upon payment.

Post-employment benefits are mandated by R.A. 7641 an act amending the labor code providing retirement benefits.

3.11 Leases (PFRS 16)

PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of *leases*. The objective is to ensure that *lessees* and *lessors* provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

JHMC uses PFRS 16 in recording transaction relative to short-term and long-term lease.

3.12 Revenue from Contracts with Customers (IFRS 15)

An entity shall account for a contract with a customer that is within the scope of this Standard only when all of the following criteria are met:

- a. the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- b. the entity can identify each party's rights regarding the goods or services to be transferred;
- c. the entity can identify the payment terms for the goods or services to be transferred;
- d. the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- e. it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.



In this regard, JHMC is adopting this Standard as it affects the performance agreement between JHMC and BCDA in recognizing revenue in the Estate Management Fee.

Further, the Philippine Interpretations Committee Q&A No. 2018-12-H, interpreted that accounting for Common Usage Service Area (CUSA) will be considered as Revenue from Contract with Costumers.

3.13 Provisions (PAS 37)

A provision is a liability of uncertain timing or amount. The liability may be a legal obligation or a constructive obligation. A constructive obligation arises from the entity's actions, through which it has indicated to others that it will accept certain responsibilities, and as a result has created an expectation that it will discharge those responsibilities.

A Contingent Liability are possible obligation whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity.

PAS 37 affects the recording of uncertain obligations which are under legal litigation.

3.14 Interim Financial Reporting (PAS 34)

Interim period is a financial reporting period shorter than a full financial year.

Interim financial report means a financial report containing either a complete set of financial statements (as described in IAS 1 Presentation of Financial Statements or a set of condensed financial statements (as described in this Standard) for an interim period.

In the interest of timeliness and cost considerations and to avoid repetition of information previously reported, an entity may be required to or may elect to provide less information at interim dates as compared with its annual financial statements. This Standard defines the minimum content of an interim financial report as including condensed financial statements and selected explanatory notes. The interim financial report is intended to provide an update on the latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances and does not duplicate information previously reported.

JHMC is adopting PAS 34, as it is mandated to present a Quarterly Financial Report to the Audit Committee and to the Board.

Minimum components of an interim financial report an interim financial report shall include, at a minimum, the following components:

- (a) a condensed statement of financial position;
- (b) a condensed statement or condensed statements of profit or loss and other comprehensive income;
- (c) a condensed statement of changes in equity;
- (d) a condensed statement of cash flows; and
- (e) selected explanatory notes



4. PRIOR PERIOD ADJUSTMENTS

The adjustment for Personnel Services pertains to salary claims from prior years granted to separated employees that are final and executory. Other adjustment of prior year's transactions are as follows:

Years Affected	Nominal Account affected	Total
2009	Personnel Service	(225,500.50)
2010	Medical Allowance	458,298.00
2014	Personnel Services	(124,809.85)
2017	Travelling Expenses	63,037.00
2019	Office Supplies Expense	20,424.00
	Rent/Lease Income	175,787.04
2022	Telephone Expenses-Mobile	2,500.00
2023	Electricity Expenses	500.00
	Fines & Penalties-Service Income	13,375.00
	Miscellaneous Income	121,359.96
	Personnel Services	(3,442,618.33)
	Telephone Expenses-Mobile	3,000.99
2024	BODRATA	182.55
	Electricity Expenses	7,468.71
	Environment & Sanitary Services	78,326.29
	General Services	(11,841.60)
	Management Fee	(31,836.42)
	Permit Fee	(7,257.00)
	Security Services	34,308.13
	Semi-Expendable Machinery & Equipment Expenses	104,000.00
	Subscription expense	(49,621.23)
	Taxes, Duties and Licenses	(6,055.31)
	Travelling Expenses	9,411.78
	Water Expenses	2,756.07
	Printing and Publication Expenses	4,365.00
Total Adjustments		(2,800,439.72)
2024	Dividends	(14,329,561.10)
Total Prior Year Adjustments		(17,130,000.82)

5. CASH AND CASH EQUIVALENTS

Particulars	CY 2025	CY 2024
Cash on Hand	495,949.03	331,283.17
Cash in Bank-Local Currency	76,805,640.45	59,191,991.62
Total Cash and Cash Equivalents	77,301,589.48	59,523,274.79



6. INVESTMENTS

Particulars	CY2025			CY2024		
	Current	Non-current	Total	Current	Non-current	Total
Investment in Time Deposit-Local Currency	33,663,019.51	-	33,663,019.51	33,307,034.08	-	33,307,034.08
Investment in Time Deposit-Foreign Currency	8,354,831.52	-	8,354,831.52	8,232,888.57	-	8,232,888.57
Financial Assets at Fair Value Through Other Comprehensive Income	-	5,500,000.00	5,500,000.00	-	5,500,000.00	5,500,000.00
Investments in Stocks	-	132,000.00	132,000.00	-	132,000.00	132,000.00
Total	42,017,851.03	5,632,000.00	47,649,851.03	41,539,922.65	5,632,000.00	47,171,922.65

7. RECEIVABLES

7.1 Loans and Receivables

Particulars	CY2025			CY2024		
	Current	Non-current	Total	Current	Non-current	Total
Accounts Receivable	32,967,183.04	12,774,719.58	45,751,902.62	876,497.61	11,953,774.02	12,830,271.63
Allowance for Impairment	(1,648,359.15)	(7,662,163.56)	(9,310,522.71)	(43,824.88)	(7,318,343.77)	(7,362,168.65)
Total	31,318,823.89	5,112,556.02	36,441,379.91	832,672.73	4,635,430.25	5,468,102.98

Aging/Analysis of Receivables

The aging of Accounts Receivable (AR) and the provision for *Allowance for Impairment-Accounts Receivable* is based on the approved *Policy on Provision for Bad Debts* as per BOD Resolution No. 2013-0923-121 dated 23 September, 2013 as follows:

Age of Accounts	Impairment for Accounts Receivable
Less than 1 year	5%
Over 1 year to 3 years	10%
Over 3 to 5 years	15%
Over 5 years to 10 years	20%
Over 10 years	100%

Computation of the *Allowance for Impairment of AR* as at 31 December 2025:

Age of Accounts	Amounts	Percentage of Impairment	Allowance for Impairment
Less than 1 Year	32,967,183.04	5%	1,648,359.15
Over 1 Year to 3 Years	1,185,492.02	10%	118,549.20
Over 3 Year to 5 Years	2,341,065.96	15%	351,159.89
Over 5 Year to 10 Years	2,569,633.91	20%	513,926.78
More than 10 Years	6,678,527.69	100%	6,678,527.69
Total AR	45,741,902.62		9,310,522.71

7.2 Inter-Agency Receivables

Particulars	CY 2025	CY 2024
Due from Other Government Corporations	270,574.46	343,509.02
Due from Parent Corporation	42,365,427.95	52,051,537.32
<i>Allowance for Impairment-Due from Parent Corporation</i>	<i>(1,860,718.24)</i>	<i>0.00</i>
Total	40,775,284.17	52,395,046.34

The *Due from Other Government Corporations* are SSS maternity or sickness benefits of employees.

The decrease of the *Due from Parent Corporations* is due to the unbilled Land Related Cost (LRC) expenses as of the end of the year that were either accrued or paid on later date of December 2025. An Impairment Allowance for balances beyond 10 years is established as a result of an internal audit findings at BCDA to reconcile the balances of inter-company accounts while resolving the causes of these recorded transactions.

7.3 Other Receivables

Particulars	CY 2025	CY 2024
Receivables-Disallowances/Charges	18,698,820.41	18,240,522.41
Due from Officers and Employees	108,151.46	72,133.66
Other Receivables	-	25,100.00
Total	18,806,971.87	18,337,756.07

8. INVENTORIES

Particulars	CY 2025	CY 2024
Inventory Held for Consumption		
Carrying Amount, January 01	4,658,120.42	4,435,198.01
Additions/Acquisitions during the year	1,383,230.91	1,790,773.54
Expensed during the year	(1,433,888.36)	(1,567,851.13)
Prior Year Adjustment	0.00	0.00
Carrying Amount, December 31	4,607,462.97	4,658,120.42
Semi- Expendable Machinery and Equipment		
Carrying Amount, January 01	0.00	49,000.00
Additions/Acquisitions during the year	0.00	0.00
Expensed during the year	0.00	(49,000.00)
Prior Year Adjustment	0.00	0.00
Carrying Amount, December 31	0.00	0.00
Total Carrying Amount, December 31	4,607,462.97	4,658,120.42

Particulars	CY 2025	CY 2024
Inventory Held for Consumption		
Office Supplies Inventory	589,019.07	620,345.15
Construction Materials Inventory	3,205,138.57	3,394,117.65
Other Supplies and Materials Inventory	813,305.33	643,657.62
Total Carrying Amount, December 31	4,607,462.97	4,658,120.42

9. INVESTMENT PROPERTY

Particulars	CY 2025	CY 2024
Carrying Amount, January 01	754,468.03	754,468.03
Additional/Acquisition	0.00	0.00
Adjustments: Property transfer to BCDA	0.00	0.00
Total	754,468.03	754,468.03
Depreciation	0.00	0.00
Carrying Amount, December 31	754,468.03	754,468.03

Gross Cost	7,791,670.27	7,791,670.27
Accumulated Depreciation	7,037,202.24	7,037,202.24
Carrying Amount, December 31	754,468.03	754,468.03

10. PROPERTY, PLANT AND EQUIPMENT

As at 31 December, 2025

Particulars	Other Land Improvements	Building & Other Structure	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Books	Construction in Progress – B&S
Carrying Amount January 1, 2025	547,321.86	7,753,306.78	9,158,178.52	9,946,430.13	307,459.89	1,569,423.34
Additional/Acquisition	6,731,093.33	-	3,280,625.01	2,176,043.05	-	674,157.02
Disposal	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
Depreciation for CY 2025	(374,229.85)	(350,522.64)	(1,339,815.51)	(1,709,864.30)	(25,468.68)	-
Carrying Amount December 31, 2025	6,904,185.34	7,402,784.14	11,098,988.02	10,412,608.88	281,991.21	2,243,580.36

Particulars	Other Land Improvements	Building & Other Structure	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Books	Construction in Progress – B&S
Gross Cost	8,246,215.95	17,902,649.76	22,348,232.40	23,317,985.02	2,270,028.38	2,243,580.36
Accumulated Depreciation	(1,342,030.61)	(10,499,865.62)	(11,249,244.38)	(12,905,376.14)	(1,988,037.17)	0.00
Carrying Amount December 31, 2025	6,904,185.34	7,402,784.14	11,098,988.02	10,412,608.88	281,991.21	2,243,580.36

As at 31 December, 2024

Particulars	Other Land Improvements	Building & Other Structure	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Books	Construction in Progress – B&S
Carrying Amount January 1, 2024	597,886.50	4,318,542.24	8,806,926.88	7,216,593.65	474,339.57	3,180,380.87
Additional/Acquisition	-	3,822,499.49	1,840,962.51	4,200,727.68	-	2,472,040.35
Disposal	-	-	-	-	-	-
Adjustments	-	(18,156.87)	(377,309.12)	(2.00)	-	(4,082,997.88)
Depreciation for CY 2024	(50,564.64)	(369,578.08)	(1,112,401.75)	(1,470,889.20)	(166,879.68)	0.00
Carrying Amount December 31, 2024	547,321.86	7,753,306.78	9,158,179.52	9,946,430.13	307,459.89	1,569,423.34

Particulars	Other Land Improvements	Building & Other Structure	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Books	Construction in Progress – B&S
Gross Cost	1,515,122.62	17,902,649.76	19,067,607.70	21,141,941.97	2,270,028.38	1,569,423.34
Accumulated Depreciation	(967,800.76)	(10,149,342.98)	(9,909,428.18)	(11,195,511.84)	(1,962,568.49)	0.00
Carrying Amount December 31, 2024	547,321.86	7,753,306.78	9,158,179.52	9,946,430.13	307,459.89	1,569,423.34

The increase and decrease of the *PPE* in CY2024 were due to the implementation of COA-CAR Decision No. 2024-067 dated 11 September 2024 received by JHMC on 07 October 2024 RE: Authority to derecognize two PPE items with a total cost of ₱411,000.00 and the CGAS Decision No. 2024-01(JHMC) dated 11 September 2024 received by JHMC on 09 October 2024 RE: Authority to derecognize in the books the five non-existing/missing PPEs with total carrying value (CV) of ₱163,591.04.

The additional costs in the *Other Land Improvements* are the development and enhancement cost at the Secret Garden and Liberty Park transferred from BCDA books as a result of an internal audit finding at BCDA to adhere to IAS 16.

11. INTANGIBLE ASSETS

Particulars	CY2025			CY2024		
	Computer Software	Development in Progress	Total	Computer Software	Development in Progress	Total
Carrying Amount, January 01	43,571.43	261,160.71	304,732.14	163,690.46	261,160.71	424,851.17
Additions – Purchased/ Acquired	-	658,482.15	658,482.15	57,142.86	0.00	57,142.86
Total	43,571.43	919,642.86	963,214.29	220,833.32	0.00	481,994.03
Disposals	-	-	-	-	0.00	0.00
Amortization recognized	(40,714.29)	-	(40,714.29)	(177,261.89)	0.00	(177,261.89)
Carrying Amount, December 31	2,857.14	919,642.86	922,500.00	43,571.43	261,160.71	304,732.14

Particulars	CY2025			CY2024		
	Computer Software	Development in Progress	Total	Computer Software	Other Intangible Assets	Total
Gross Cost	1,194,578.36	919,642.86	2,114,221.22	1,194,578.36	261,160.71	1,455,739.07
Accumulated Amortization	(1,191,721.22)	0.00	(1,191,721.22)	(1,151,006.93)	0.00	(1,151,006.93)
Carrying Amount, December 31	2,857.14	919,642.86	922,500.00	43,571.43	261,160.71	304,732.14

Intangible asset amounting to ₱1,137,435.50 are assessed to have an indefinite useful life. The acquired application/systems have no expiration except when it will be replaced by a new one or become obsolete.

12. OTHER ASSETS

Particulars	CY2025			CY2024		
	Current	Non-Current	Total	Current	Non-Current	Total
Prepayments:	974,023.18	-	974,023.18	782,198.59	-	782,198.59
Prepaid Insurance	156,164.29	-	156,164.29	74,728.15	-	74,728.15
Prepaid Subscription	653,985.58	-	653,985.58	575,860.00	-	575,860.00
Other Prepayments	163,873.31	-	163,873.31	131,610.44	-	131,610.44
Deposits:	2,031,260.41	-	2,031,260.41	1,593,010.05	-	1,593,010.05
Guaranty Deposits	2,031,260.41	-	2,031,260.41	1,593,010.05	-	1,593,010.05
Total	3,005,283.59	-	3,005,283.59	2,375,208.64	-	2,375,208.64

13. FINANCIAL LIABILITIES

Particulars	CY 2025		CY 2024	
	Current	Non-Current	Current	Non-Current
Accounts Payable	23,539,085.78	-	5,876,534.85	-
Due to Officers and Employees	41,179.64	-	3,950.00	-
Total	23,580,265.42	-	5,880,484.85	-

Accounts Payable: Increase was due to accrued expenses payable to suppliers as of year-end. Age of the AP are as follows:

Age	CY 2025		CY 2024	
	Current	Non-Current	Current	Non-Current
Less than 90 days	23,029,909.90	-	5,329,992.93	-
91 - 365 days	7,750.00	-	27,990.00	-
Over 1 year	146,238.85	-	124,891.99	-
Over 2 years	57,481.00	-	72,437.19	-

Over 3 years and onwards	297,706.03	-	321,222.74	-
Total	23,539,085.78	-	5,876,534.85	-

14. INTER-AGENCY PAYABLES

Particulars	CY 2025		CY 2024	
	Current	Non-Current	Current	Non-Current
Due to BIR	1,919,591.16	-	1,455,243.83	-
Due to Pag-Ibig	261,759.48	-	215,946.62	-
Due to PhilHealth	240,226.10	-	195,344.54	-
Due to SSS	533,712.71	-	364,962.71	-
Due to Parent Corp.	2,180,627.75	-	192,915.07	-
Value Added Tax Payable	11,499,571.27	-	1,602,807.35	-
Income Tax Payable	4,811,670.67	-	2,746,186.65	-
Total	21,447,159.14	0.00	6,773,406.77	0.00

15. TRUST LIABILITIES

Particulars	CY 2025		CY 2024	
	Current	Non-Current	Current	Non-Current
Trust Liabilities	4,111,985.70	-	576,098.17	-
Guaranty/Security Deposits Payable	2,743,333.34	-	2,294,145.26	-
Customers' Deposits Payable	773,800.90	-	23,856.75	-
Trust Liabilities - Disallowances/Charges	95,961.13	-	90,431.65	-
Total	7,725,081.07	0.00	2,984,531.83	0.00

Trust Liabilities are broken down as follows:

Particulars	CY 2025	CY 2024
Bid Documents Fee	45,571.85	24,571.85
Employees Personal Bond	93,815.83	-
Provident Fund	3,815,929.15	401,957.45
SBHP refund of BIR penalties to beneficiaries	149,568.87	149,568.87
RANG-AY	7,100.00	-
Total	4,111,985.70	576,098.17

16. DEFERRED CREDITS/UNEARNED INCOME

Particulars	CY 2025	CY 2024
Unearned Revenue/Income-Investment Property	2,068,033.37	118,221.60
Total	2,068,033.37	118,221.60

17. PROVISIONS

Particulars	CY 2025	CY 2024
Leave Benefits Payable	4,915,053.60	3,926,763.52
Other Provisions	3,486,725.00	0.00
Total	8,401,778.60	3,926,763.52

The *Leave Benefits Payable* pertains to accrual of money value of the earned leave credits of employees as of 31 December of the reportable year.

Other Provisions pertains to ongoing claims of employees with awarded decisions.

18. OTHER PAYABLES

Particulars	CY 2025	CY 2024
Other Payables	0.00	90,597.59
Total	0.00	90,597.59

19. SERVICE AND BUSINESS INCOME

Particulars	CY 2025	CY 2024
Service Income	82,129,724.62	9,989,544.02
Permit Fees	2,419,695.88	2,066,319.42
Clearance & Certificate Fees	72,469.48	72,378.88
Inspection Fees	23,092.47	39,098.62
Verification & Authentication Fees	385.72	192.86
Processing Fees	98,124.96	105,821.41
Fines & Penalties-Service Income	154,479.91	82,821.96
Other Service Income	79,361,476.20	7,622,910.87
Business Income	128,455,780.23	117,183,844.56
Rent/Lease Income	1,154,705.41	1,323,891.80
Interest Income	848,019.11	1,160,093.65
Fines & Penalties-Business Income	20,071.41	206,928.49
Management Fees	109,454,833.70	106,743,972.22
Admission Fees	13,288,611.71	7,623,958.40
Other Business Income	3,689,538.89	125,000.00
Total Service and Business Income	210,585,504.85	127,173,388.58

20. SHARES, DONATIONS AND GRANTS

Particulars	CY 2025	CY 2024
Donation in Kind	73,364.48	102,321.43
Total Donations	73,364.48	102,321.43

The recognized donation is from the carrying amount of the donated vehicle from the parent corporation, BCDA.

21. GAINS

Particulars	CY 2025	CY 2024
Gain on Foreign Exchange	112,219.85	346,732.91
Total Gains	112,219.85	346,732.91

Gain on Foreign Exchange is the gain from the inflation of USD time deposit account.

22. OTHER NON-OPERATING INCOME

Particulars	CY 2025	CY 2024
Proceeds from insurance/Indemnities	0.00	27,492.55
Miscellaneous Income	9,188.56	35,838.64
Total Non-operating Income	9,188.56	63,331.19

23. PERSONNEL SERVICES (PS)

Particulars	CY 2025	CY 2024
Salaries and Wages-Regular	40,225,265.56	39,921,656.42
Other Compensation	12,985,251.43	16,251,571.12
Personnel Economic Relief Allowance (PERA)	1,291,991.88	1,319,075.99
Representation Allowance	648,250.00	631,375.00
Transportation Allowance	426,250.00	404,375.00
Clothing/Uniform Allowance	371,000.00	396,000.00
Honoraria	154,750.00	132,500.00
Hazard Pay	-	-
Overtime and Night Pay	319,750.55	264,666.66
Year-End Bonus	3,276,205.00	3,567,979.40
Cash Gift	263,000.00	284,500.00
Mid-Year Bonus	2,961,204.00	3,403,348.00
Directors and Committee Member's Fees	1,804,850.00	2,565,765.01
Other Bonuses and Allowances	1,468,000.00	3,281,986.06
Personnel Benefits Contributions	6,717,819.82	2,922,112.60
SSS Retirement and Life Insurance Premiums	1,311,622.50	1,255,647.50
Employees Compensation Insurance Premiums	19,700.00	19,840.00
Pag-IBIG Contributions	129,200.00	126,294.92
PhilHealth Contributions	959,875.62	941,020.18
Provident Fund Contributions	4,297,421.70	579,310.00
Other Personnel Benefits	2,500,000.00	4,310,449.19
Retirement Gratuity	-	2,009,044.67
Terminal Leave Benefits	2,516,404.42	2,301,404.52
Total Personnel Services	62,444,741.23	63,405,789.33

24. Maintenance and Operating Expenses

Particulars	CY 2025	CY 2024
Traveling Expenses	3,532,139.05	3,760,817.05
Traveling Expenses-Local	2,896,495.66	3,760,817.05
Traveling Expenses-Foreign	635,643.39	0.00
Training and Scholarship Expenses		
Training Expenses	2,121,884.04	1,191,041.99
Supplies and Materials Expenses	8,160,971.88	4,624,361.88
Office Supplies Expenses	1,532,994.76	1,142,488.93
Fuel, Oil and Lubricants Expenses	1,738,787.51	1,275,037.53
Semi-Expendable Machinery & Equipment Expenses	2,405,308.27	1,103,670.90
Semi-Expendable Furniture, Fixture & Books Expenses	753,300.00	408,722.57
Other Supplies and Materials Expenses	1,731,309.69	694,441.95
Utility Expenses	3,734,823.21	854,091.60
Water Expenses	492,967.05	302,595.36
Electricity Expenses	3,241,856.16	551,496.24
Communication Expenses	751,755.21	871,791.53
Postage and Courier Services	6,898.81	13,378.29
Telephone Expenses	524,331.08	577,901.15
Internet Subscription Expenses	218,718.78	264,606.86
Cable, Satellite, Telegraph and Radio Exp.	1,806.54	15,905.23
Confidential, Intelligence and Extraordinary Expenses	95,088.92	124,716.09
Extraordinary and Miscellaneous Expenses	95,088.92	124,716.09
Professional Services	18,140,197.91	7,064,275.74
Legal Services	204,648.27	181,488.30
Auditing Services	2,638,530.15	2,291,416.36
Consultancy Services	80,250.00	-
Other Professional Services	15,216,769.49	4,591,371.08
General Services	57,162,371.13	6,589,724.35
Environment/Sanitary Services	4,894,123.59	1,522,556.29
Janitorial Services	4,660,633.30	2,680,127.58
Security Services	46,001,717.24	2,097,411.10
Other General Services	1,605,897.00	289,629.38
Repairs and Maintenance	2,785,238.80	1,796,930.65
Repairs and Maintenance-Investment Prop	6,464.29	355,946.44
Repairs and Maintenance-Land Improvements	100,800.00	-
Repairs and Maintenance-Buildings and Other Structures	130,526.85	223,361.83
Repairs and Maintenance-Machinery and Equipment	135,675.94	166,112.31
Repairs and Maintenance-Transportation Equipment	1,199,230.17	952,068.11
Repairs and Maintenance-Semi-Expendable Machinery and Equipment	1,800.00	-

Particulars	CY 2025	CY 2024
Repairs and Maintenance-Semi-Expendable Furniture, Fixtures and Books	-	79,500.00
Repairs and Maintenance-Others	1,146,996.01	19,941.96
Repairs and Maintenance-Other Property, Plant and Equipment	63,745.54	-
Taxes, Insurance Premiums and Other Fees	303,409.99	247,964.99
Taxes, Duties and Licenses	32,938.63	100,242.64
Fidelity Bond Premiums	67,500.00	69,450.00
Insurance/Reinsurance Expenses	202,971.36	78,272.35
Other Maintenance and Operating Expenses (MOOE)	14,496,883.24	9,565,733.97
Advertising, Promotional and Marketing Expenses	616,602.91	2,586,879.86
Printing and Publication Expenses	77,834.00	79,869.00
Representation Expenses	4,329,340.81	4,815,944.19
Rent/Lease expenses	548,900.00	599,100.00
Subscription Expenses	1,083,363.74	604,204.75
Documentary Stamps Expenses	36,367.69	144,306.00
Other MOOE	7,804,474.09	735,430.17
Total Maintenance and Operating Expenses	111,284,763.38	36,691,449.84

25. Financial Expenses

Particulars	CY 2025	CY 2024
Bank Charges	1,060.00	1,888.00
Total	1,060.00	1,888.00

This consists of costs of cheque booklet requisitions and cost for request for issuance of Manager's Cheque from the bank.

26. Non-Cash Expenses

Particulars	CY 2025	CY 2024
Depreciation	3,799,900.98	3,170,313.35
Depreciation-Land Improvement	374,229.85	50,564.64
Depreciation-Buildings and Other Structures	350,522.64	369,578.08
Depreciation-Machinery and Equipment	1,339,815.51	1,112,401.75
Depreciation-Transportation Equipment	1,709,864.30	1,470,889.20
Depreciation-Furniture & Fixtures	25,468.68	166,879.68
Amortization		
Amortization-Intangible Assets	40,714.29	177,261.89
Impairment Loss- Loans and Receivables	3,809,072.30	160,765.38
Losses	0.00	377,309.12
Loss of Assets	-	377,309.12
Total Non-Cash Expenses	7,649,687.57	3,885,649.74

27. CASH FLOWS

The increase in the cash and cash equivalents in the amount of ₱17,778,314.69 is broken down as follows:

27.1 Net Cash Provided by / (Used in) Operating Activities

The net Cash Provided by/ (Used in) **Operating Activities** by JHMC in the amount of ₱34,588,337.32 in CY2025 and ₱11,530,844.96 in CY2024 are as follows:

i. Cash Inflows from Operating Activities

PARTICULARS	CY 2025	CY 2024
Collection of Income/Revenue	174,837,056.27	131,521,520.86
Collection of Service and Business Income	59,753,354.20	20,743,041.53
Estate Management Fee	113,477,953.23	109,037,294.52
Estate Management Fee –Prior Years	1,601,875.85	1,725,244.36
Collections of other non-operating income	3,872.99	15,940.45
Collection of Receivables	66,603,954.78	65,480,210.76
Loans and receivables	475,156.58	357,088.28
Audit disallowances and/or charges	-	179,900.00
Other receivables	-	737,376.43
Land Related Costs reimbursement	66,128,798.20	64,205,846.05
Trust Receipts	1,655,083.30	649,456.42
Receipt of guaranty/security deposits	1,560,548.75	465,699.04
Receipt of customers' deposits	34,943.41	8,856.75
Scout Barrio Housing Project	121.14	121.38
Lease income from Mile Hi Center area	30,000.00	174,779.25
Lease income from Residential Owners (BCDA)	29,470.00	-
Other Receipts	752,741.69	783,697.13
Receipt of unearned income/revenue	343,728.00	441,201.60
Receipt of refund of cash advances	258,111.01	191,773.14
Receipt of bidders documents	150,000.00	123,000.00
Receipt of unused petty cash fund	902.68	229.84
Receipt of refund of overpayment of maintenance and other operating expenses	-	27,492.55
Total Cash Inflows	243,848,836.04	198,434,885.17
Adjustments	57,500.00	69,399.00
Restoration of cash for cancelled/lost/stale checks/ADA	57,500.00	69,399.00
Total Adjusted Cash Inflows	243,906,336.04	198,504,284.17

ii. Cash Outflows from Operating Activities

PARTICULARS	CY 2025	CY 2024
Payment of Expenses	110,657,018.85	82,015,801.59
Payment of personnel services	38,998,424.02	45,202,039.50
Payment of maintenance and other operating Expenses	71,658,594.83	36,274,963.77
Payment of Bids & Awards Committee Honoraria	-	538,798.32

PARTICULARS	CY 2025	CY 2024
Payment of Inventories	4,790,809.96	3,626,364.27
Purchase of inventories held for consumption	3,338,193.52	2,247,606.51
Purchase of Semi-Expendable Machinery & Equipment	1,360,552.44	982,197.68
Purchase of Semi-Expendable Furniture, Fixture & Books	92,064.00	396,560.08
Grant of Cash Advances	1,564,535.29	1,620,290.00
Advances to officers and employees	1,564,535.29	1,620,290.00
Prepayments	1,219,049.48	2,605,406.74
Prepaid Insurance	284,407.50	122,778.17
Other Prepayments	934,641.98	2,482,628.57
Payment of Accounts Payable	4,952,651.17	3,724,471.59
Payments of Accounts Payable	4,952,651.17	3,724,471.59
Remittance of Personnel Benefit Contribution and Mandatory Deductions	27,101,733.19	23,694,666.91
Remittance of taxes withheld	11,995,086.18	9,710,242.22
Remittance of SSS	5,304,384.24	3,905,014.05
Remittance of PAG-IBIG	2,639,718.94	2,593,403.67
Remittance of PHIC	2,487,166.13	2,136,846.13
Remittance of other payable	4,675,377.70	5,349,160.84
Other Disbursements	59,032,200.78	69,686,438.11
Refund of Guaranty/Security Deposits & Performance Bond	47,257.00	238,039.50
Other disbursements:		
Land Related Costs/Cost-Sharing with BCDA	19,009,293.14	-
Land Related Costs/Advances for BCDA	32,733,297.90	52,223,659.14
Land Related Costs/Advances for BCDA Prior Year	4,606,244.01	11,322,953.76
Remittance of VAT Payable to BIR	1,905,363.74	4,916,819.61
Payment of Appeal Bond	730,745.00	-
Release of funds to Parent Corporation:		
CY2023 Rent Income from Mile Hi grounds	-	984,966.10
Total Cash Outflow from Operating Activities	209,317,998.72	186,973,439.21

27.2 Net Cash Provided by / (Used in) Investing Activities

The net Cash Provided by/ (Used in) Investing Activities by JHMC in the amount of (P2,480,461.53) in CY2025 and (P6,022,841.98) in CY2024 are as follows:

i. Cash Inflow from Investing Activities

Particular	CY 2025	CY 2024
Proceeds from Sale/Disposal of PPE	-	-
Total	-	-

ii. Cash Outflow from Investing Activities

Particular	CY 2025	CY 2024
Purchase/Construction of Property, Plant and Equipment	2,480,461.53	5,958,841.98
Purchase of machinery & equipment	2,480,461.53	1,887,435.73
Purchase of transportation equipment	-	4,071,406.25
Purchase of Intangible Assets	-	64,000.00
Purchase of computer software	-	64,000.00
Total Cash Outflows	2,480,461.53	6,022,841.98

27.3 Net Cash Provided by / (Used in) Financing Activities

The net Cash Provided by/ (Used in) Investing Activities by JHMC are as follows:

Particular	CY 2025	CY 2024
Cash Inflows:		
Proceeds from Issuance of Capital Stock & Other Equity Securities	-	-
Cash Outflows:		
Payment of Cash Dividends	14,329,561.10	7,326,319.61
Net Cash Provided/(Used)	(14,329,561.10)	(7,326,319.61)

27.4 Effects of Exchange Rate Changes on Cash and Cash Equivalent

There is no foreign currency account maintained under Cash and Cash Equivalents.

28. SHARE CAPITAL

The shares of stocks are wholly-owned by BCDA and one (1) share is given to each appointed Member of the JHMC Board of Directors. In April 2015, the BCDA and JHMC Board of Directors approved the increase of JHMC's Authorized Capital Stock from 1,200,000 shares to 5,000,000 shares.

In March 2016, the GCG approved the application of the JHMC for the aforesaid increase and the Certificate of Approval of Increase in Authorized Capital Stock was subsequently issued by the Securities and Exchange Commission (SEC) on 09 June 2016. The Authorized Capital Stock of JHMC has now increased from ₱120,000,000.00 divided into 1,200,000 shares with par value of ₱100.00 per share to ₱500,000,000.00 divided into 5,000,000 shares with par value of ₱100.00 per share.

By virtue of a Deed of Assignment executed between BCDA and JHMC, BCDA's Deposit for Future Stock Subscription valued at Two Hundred Sixty-Three Million Eight Hundred Fourteen Thousand Seventy-Eight Pesos and Ninety-Seven Centavos (₱263,814,078.97) was converted into 2,638,140 shares of Capital Stock thereby increasing BCDA's stock subscription to a total of 3,838,140 shares of stock in JHMC's increased Authorized Capital Stock.

A prior year adjustment in CY2021 was made to correct erroneous recording of the received Subsidy from BCDA for Operational Funds recorded as investment/Share Capital for the year 2003 which reduced the Share Capital and increased the Retained Earnings in the amount of ₱23,059,090.00 released for the 1st to 3rd quarter 2003. Additional adjustment was made in CY2022 to adjust further the 4th quarter 2003



operational funds received by JHMC on January 2004 in the amount of ₱7,639,115.06. This is in compliance with the recommendation of the COA per AOM No. 2020-11 dated Nov. 27, 2020. The CY2003 Notes to FS states that "Due to the absence of an approved Estate Management Contract between BCDA and JHMC in CY2003, the operational funds of JHMC were considered as investment in BCDA. JHMC on the other hand, treated such funds as Equity".

Additional reduction of ₱37,506,344.63 in the Share Capital was done in CY2023 due to the implementation of COA AOM No. 2020-11 for the transfer of ownership/booking of the Mini-Hydro Electric Power plant and the JHMC Office Building respectively to BCDA in compliance to the principle of IAS 16 in the recognition of PPE in the books of JHMC.

In CY2024 the Share Capital was further reduced in the amount of ₱38,368,074.76 as an effect of the implementation of COA AOM No. 2024-005 dated 08 April 2024 to transfer ownership from JHMC to BCDA the CY2013 dropped leased properties to Camp John Hay Development Corporation (CJHDevCo).

The adjustments made to the Share Capital reduced the BCDA's Stockholders Equity from the previous ₱383,814,078.97 in CY2013, prior to the Performance Agreement (PA) implementation, into ₱277,241,454.52 to date.

29. COMPLIANCE WITH TAX LAWS

In compliance with the requirements of Revenue Regulations (RR) No. 15-2010, Amending Certain Provisions of Revenue Regulations No. 21- 2002, as Amended, Implementing Section 6 (H) of the Tax Code of 1997, Authorizing the Commissioner of Internal Revenue to Prescribe Additional Procedural and/or Documentary Requirements in Connection with the Preparation and Submission of Financial Statements Accompanying Income Tax Returns., as amended, hereunder are the information.

Value-Added Tax (VAT):	
Output Taxes	24,738,655.78
Input Taxes	
Beginning Balance	0.00
Add: Input Tax – Purchase of Goods & Services	4,192,942.96
Less: Input Taxes deducted from Output Taxes	4,192,942.96
Other Adjustments: Unused prior year input taxes	0.00
Balance End of the Year	0.00
Less: Claimed Tax Credits	5,502,077.45
VAT Due	15,043,635.37
Add: Adjustment in CY2025 (Overpayment)	32,262.87
Less: Remitted during the Year	3,576,326.97
VAT Still Due/Payable	11,499,571.27

Remitted Withheld Taxes:	
Tax on compensation and benefits	5,304,911.89
Creditable withholding tax- Expanded (EWT)	1,031,105.89
Expanded Value-Added Tax (EVAT)	2,388,809.98
Final Tax - Percentage Tax (PT)	466,106.97
Total Remittance	9,190,934.73

30. COMPLIANCE WITH DIVIDENDS LAW

John Hay Management Corporation (JHMC) as Government-Owned or Controlled Corporation is covered by Republic Act 7656 or "An Act Requiring Government-Owned or Controlled Corporations to Declare Dividends Under Certain Conditions to the National Government, and for Other Purposes", where such law mandates that "All government-owned or controlled corporations shall declare and remit at least fifty percent (50%) of their annual net earnings as cash, stock or property dividends to the National Government. This section shall also apply to those government-owned or controlled corporations whose profit distribution is provided by their respective charters or by special law, but shall exclude those enumerated in Section 4 hereof: Provided, that such dividends accruing to the National Government shall be received by the National Treasury and recorded as income of the General Fund. (Section 3 of RA7656).

For CY2024, the declared and remitted dividend is 75% of the Net Income After Tax (NIAT) in the amount of Fourteen Million Three Hundred Twenty-Nine Thousand Five Hundred Sixty-One pesos and Ten centavos (₱14,329,561.10). This was remitted to the Bureau of the Treasury on 08 May 2025 as per JHMC Board of Directors Board Resolution No. 2025-0428-091 during the Stockholders' meeting held on 28 April 2025.

The 75% dividend was the result of the letter request from Department of Finance (DOF) dated 07 April 2025 directing JHMC to remit 75% of its net earnings for CY2024 to support the Office of the President's move to achieve fiscal target in reducing the country's deficit and minimizing NG debt, while providing the necessary space to support government's spending in infrastructure and social services.

31. STATUS OF PENDING LITIGATIONS

JHMC Pending Litigation as of 31 December 2025 are as follows:

Docket Number	Remarks
1. G.R. 228399 (Supreme Court, Second Division); CA-SP G.R. No. 142489 NLRC LAC No 07-001728-14 (Second Division); NLRC Case No. RAB-CAR-07-0246-13 for: Illegal Dismissal	After the Supreme Court (SC) issued an Entry of Final Judgement on 16 June 2021, an Order dated 13 March 2023 was issued by the Executive Labor Arbiter (ELA) of the NLRC-RAB-CAR on the recomputation of the award amounting to P3,442,618.13 . The ELA ordered the case closed and terminated. To date, JHMC has not received any Petition for Money Claim based on final and executory court-adjudicated judgement filed by the Complainant with the Commission on Audit (COA).
2. GR 235850 (Supreme Court) NLRC LAC No.10-002647 (Fourth Division); NLRC Case No. RAB-CAR-12-0487-13	LA Decision: The Labor Arbiter (LA) ordered the payment of award amounting to P13,463.50 , and payment of attorney's fees amounting to P11,346.35 . A co-respondent, in her personal capacity, was ordered to pay the Complainant the amount of P100,000.00 representing moral and exemplary damages.



<p>for: Illegal Suspension and Constructive Illegal Dismissal</p>	<p>CA Resolution:</p> <p>Co-respondent/petitioner was exonerated from personal liability in the monetary awards in favor of private respondent. The award of moral damages, exemplary damages and attorney's fees shall be the sole liability of petitioner John Hay Management Corporation.</p> <p>SC Resolution:</p> <p>SC issued a <i>Resolution</i> on 21 March 2018 affirming with modification the <i>CA Decision</i> and further ordered that damages awarded shall earn 6% legal interest per annum from the finality of the said <i>SC Resolution</i> until fully paid.</p> <p>On 20 October 2020, the SC issued a <i>Notice/Resolution</i> the records of the case read as follows:</p> <p>The SC Resolution rendered in said case promulgated on 21 March 2018 and the SC Entry of Judgement dated 6 June 2019.</p> <p>To date, JHMC has not received any Petition for Money Claim based on final and executory court-adjudicated judgement filed by the Complainant with COA.</p>
<p>3. NLRC RAB-CAR-110405-11 (Pending before the NLRC- RAB-CAR)</p>	<p>On 12 March 2015, the LA issued an <i>Order</i> stating that the case shall be temporarily archived until such time that the Complainant shall have complied with the COA procedures on enforcement of monetary claims.</p> <ul style="list-style-type: none"> ▪ The LA has issued an Order last 2012 directing JHMC to pay the award in the amount of P213,000.50. ▪ A Writ of Execution dated 4 October 2012 required JHMC to cause the satisfaction of the judgment award in the amount of P297,984.05. <p>On 3 March 2017, JHMC received a letter from the Complainant asking for the release of his money claims.</p> <p>To date, JHMC has not received any Petition for Money Claim based on final and executory court-adjudicated judgement filed by the Complainant with COA.</p>
<p>4. ND No. 21-002-01-(20) dated 4 August 2021</p>	<p>Payment of COVID-19 Duty Allowance made to JHMC personnel amounting to P44,790.33.</p>

	The OGCC filed a <i>Petition for Review</i> before the Commission Proper on 7 November 2024 after a Decision was issued denying the appeal of the Appellants.
5. ND No. 19-001-01-(18& 19) dated 6 December 2019 (Pending before the COA Regional Director)	Re: Reimbursement of monthly expenses amounting to P576,000.00 covering the period from January 2018 to April 2019 Pleadings filed: <ul style="list-style-type: none"> ▪ <i>Appeal Memorandum</i> filed on 5 August 2020 ▪ <i>Reply to the COA Audit Team's Answer to the Appeal Memorandum</i> on 11 November 2020.
6. ND No. 2016-001 (2015) (Pending before the COA Regional Director)	Re: Payment of salaries for the period January 1, 2015 to August 31, 2015 totaling P560,147.61 . On 04 August 2016, JHMC filed its <i>Appeal Memorandum</i> before the COA-CAR Regional Director praying that the questioned Notice of Disallowance issued in part against the Appellants be reversed, annulled and set aside for lack of merit.
7. ND No. 2014-001 (10) dated 10 January 2014 (Pending before the Commission Proper)	Payment of health insurance coverage of its officers and employees in the total amount of P458,298.00. On 7 December 2023, the Commission Proper denied the Motion for Reconsideration of JHMC and the COA Decision No. 2022-414 dated January 28, 2022 was AFFIRME D with FINALITY. On 23 May 2025, COA's Notice of Finality of Decision stating that the Commission Proper's Decision dated 7 December 2023 has become final and executory.
8. ND No. 2013-001 dated 29 October 2013 (Pending before the COA Cluster Director)	Payment of consultancy fees for the period October 12, 2011 to April 12, 2013 amounting to P1,672,474.68 . Last pleading filed by JHMC: <i>Appeal Memorandum</i> filed on 13 May 2014.
9. ND No. 21-001-01-(21) dated 25 May 2021	On 27 March 2025, JHMC received a Notice of Finality of Decision dated 24 March 2025 and docketed as NFD-CAR-2025-014, informing the JHMC that COA-CAR Decision No. 2024-076 dated 14 October 2024 had already become final and executory. The said Decision granted the



	<p>appeal filed by the concerned JHMC officers and the retiree and lifted Notice of Disallowance No. 21-001-012(1) dated 25 May 2021, which previously disallowed the payment of P92,630.16 representing alleged excessive retirement benefits.</p>
<p>10. NLRC LAC No. 03-000951-25 (NLRC Case No. RAB-CAR-11-00003-24)</p>	<p>On 06 February 2025, the Labor Arbiter rendered a Decision in the instant casem dismissing the complaint. However, despite the dismissal, JHMC was directed to pay the complainant the amount of P730,745.00 as separation pay or financial assistance.</p> <p>Subsequently, in a Decision dated 31 July 2025, the NLRC resolved the parties' respective appeals. The NLRC denied the complainant's appeal and granted JHMC's partial appeal. Accordingly, the Decision of Labor Arbiter was affirmed with modification, specifically deleting the award of separation pay or financial assistance in the amount of P730,745.00 previously granted in favor of the complainant.</p> <p><i>Awaiting for Entry of Judgment or Appeal, if any</i></p>

32. EVENT AFTER THE REPORTING PERIOD

No significant event happened after the reporting period that have critical impact to the financial statements of CY2025.

